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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

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

During the year ended 31 March 2024 (the “**Year**” or “**2024**”), the Group recorded an increase in revenue of approximately 32.7% to approximately HK\$345.6 million from approximately HK\$260.5 million for the year ended 31 March 2023 (the “**Previous Year**” or “**2023**”). The Group’s gross profit decrease to approximately HK\$12.0 million for the Year from approximately HK\$21.7 million for the Previous Year.

The Group recorded a loss and other comprehensive expense attributable to the owners of the Company of approximately HK\$14.5 million for the Year, as compare to that of a profit and other comprehensive income attributable to the owners of the Company of approximately HK\$1.2 million for the Previous Year.

Loss per share of the Company was approximately HK4.28 cents (2023: earnings per share of HK0.36 cent).

FINANCIAL RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to present the consolidated results of the Group for the year ended 31 March 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Revenue	4	345,630	260,473
Cost of services		<u>(333,643)</u>	<u>(238,783)</u>
Gross profit		11,987	21,690
Other income and gains/(losses), net	5	32	1,455
Allowance reversed/(recognised) on:			
– trade receivables	11	922	(1,432)
– other receivables	11	(1,075)	(231)
– contract assets	12	(4,862)	(1,027)
Administrative expenses		(19,147)	(18,610)
Finance costs	6	<u>(2,404)</u>	<u>(576)</u>
(Loss)/profit before tax	7	(14,547)	1,269
Income tax expense	8	<u>–</u>	<u>(101)</u>
(Loss)/profit and other comprehensive (expense)/ income for the year		<u>(14,547)</u>	<u>1,168</u>
(Loss)/profit and other comprehensive (expense)/ income for the year attributable to:			
Owner of the Company		(14,545)	1,188
Non-controlling interest		<u>(2)</u>	<u>(20)</u>
		<u>(14,547)</u>	<u>1,168</u>
		2024 HK cents	2023 <i>HK cents</i>
(Loss)/earnings per share			
Basic	10	<u>(4.28)</u>	<u>0.36</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Non-current assets			
Plant and equipment		2,031	1,146
Right-of-use assets		2,944	3,588
Financial assets at fair value through profit or loss		3,678	3,675
Rental deposit		39	–
		<u>8,692</u>	<u>8,409</u>
Current assets			
Inventories		657	163
Trade and other receivables	<i>11</i>	43,383	14,021
Deposits and prepayments		820	895
Contract assets	<i>12</i>	91,651	88,338
Amounts due from non-controlling interests		175	146
Pledged bank deposits		–	6,085
Bank balances and cash		23,274	26,326
		<u>159,960</u>	<u>135,974</u>
Current liabilities			
Trade and other payables	<i>13</i>	34,854	20,380
Contract liabilities	<i>12</i>	13,738	12,263
Amount due to ultimate holding company		8,000	11,900
Bank and other borrowings		7,409	13,000
Lease liabilities		2,376	1,827
Current income tax payable		101	101
		<u>66,478</u>	<u>59,471</u>
Net current assets		<u>93,482</u>	<u>76,503</u>

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Total assets less current liabilities		<u>102,174</u>	<u>84,912</u>
Non-current liabilities			
Amount due to ultimate holding company		5,900	–
Bank and other borrowings		27,000	–
Lease liabilities		664	1,804
Other non-current liabilities		<u>258</u>	<u>258</u>
		<u>33,822</u>	<u>2,062</u>
Net assets		<u><u>68,352</u></u>	<u><u>82,850</u></u>
Capital and reserves			
Share capital	<i>14</i>	3,400	3,400
Reserves		<u>64,778</u>	<u>79,323</u>
Equity attributable to owners of the Company		68,178	82,723
Non-controlling interest		<u>174</u>	<u>127</u>
Total equity		<u><u>68,352</u></u>	<u><u>82,850</u></u>

NOTES:

1. GENERAL

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 on 14 February 2018. 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 Unit 315A, 3/F, Building 5W Phase One, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong.

The directors consider the ultimate holding company to be the Company's parent company, Advance Goal Group Limited ("**Advance Goal**"), a private company incorporated in the British Virgin Islands ("**BVI**"), of which the Company's directors, Mr. Cheng Tsang Fu Dennis ("**Mr. Dennis Cheng**") and Ms. Liu Lee Lee ("**Ms. Lily Liu**"), and a former director, Mr. Cheng Tsang Wai ("**Mr. Dick Cheng**"), are shareholders.

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the provision of fitting-out services, renovation services and Nano-AM application services in Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("**HK\$**"), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values at the end of the reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

New and amendments to HKFRSs that are mandatorily effective for the current year

In the preparation of the consolidated financial statements for the year ended 31 March 2024, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 8 Definition of Accounting Estimates

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies.

Change in accounting policy as a result of application of the HKICPA’s guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) – Long Service Payment (“LSP”) offsetting mechanism in Hong Kong

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee’s accrued retirement benefits derived from employers’ MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”) which abolishes the use of the accrued benefits derived from employers’ mandatory MPF contributions to offset severance payment and LSP (the “**Abolition**”). The Abolition will officially take effect on 1 May 2025 (the “**Transition Date**”). In addition, under the Amendment Ordinance, the last month’s salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered that the impact from the Amendment Ordinance on the Group’s LSP liability is considered insignificant.

New and amendments to HKFRSs in issue not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

- ¹ Effective for annual periods beginning on or after a date to be determined.
- ² Effective for annual periods beginning on or after 1 January 2024.
- ³ Effective for annual periods beginning on or after 1 January 2025.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all the new and amendments to HKFRSs not yet effective for the current year will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.
- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity’s right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group’s outstanding liabilities as at 31 March 2024, the application of the 2020 Amendments and the 2022 Amendments will not result in reclassification of the Group’s liabilities.

4. REVENUE AND SEGMENT INFORMATION

Information reported to the executive directors of the Company, who are also the chief operating decision makers (“CODM”) and the directors of an operating subsidiary, for the purposes of resource allocation and performance assessment focuses on types of services delivered or provided.

Specifically, the Group’s reportable and operating segments under HKFRS 8 are as follows:

- (a) Fitting-out work – refers to works conducted on new buildings.
- (b) Renovation work – refers to works carried out on existing buildings that involve upgrades and/or makeovers and/or demolition of existing works.
- (c) Nano-AM work – refers to the provision and application of nanophotocatalytic antifouling materials (the “Nano-AM”) on various types of repairs and maintenance works for yachts.

Segment revenue and results

The Group provides fitting-out and renovation services to customers. Such services are recognised as a performance obligation satisfied over time as the Group’s performance creates or enhances an asset that the customer controls as the Group performs. Revenue is recognised for these services based on the stage of completion of the contract using input method.

The Group provides yacht services to customers regarding the Nano-AM and repairs and maintenance to customers. The individual Nano-AM and repairs services are regarded as a performance obligation and the revenue from these services is recognised at point in time when the related distinctive services are completed. Revenue from maintenance services are recognised over time as the customers simultaneously receive and consume the benefits provided by the Group’s performance.

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

For the year ended 31 March 2024

	Fitting-out work <i>HK\$'000</i>	Renovation work <i>HK\$'000</i>	Nano-AM work <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>255,786</u>	<u>85,776</u>	<u>4,068</u>	<u>345,630</u>
Segment profit/(loss)	<u>10,835</u>	<u>(4,220)</u>	<u>1,432</u>	8,047
Government subsidies				–
Interest income				232
Other unallocated income and losses, net				(200)
Unallocated expenses				<u>(22,626)</u>
Loss before tax				<u>(14,547)</u>

For the year ended 31 March 2023

	Fitting-out work <i>HK\$'000</i>	Renovation work <i>HK\$'000</i>	Nano-AM work <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>172,991</u>	<u>83,010</u>	<u>4,472</u>	<u>260,473</u>
Segment profit	<u>9,975</u>	<u>7,543</u>	<u>1,713</u>	19,231
Government subsidies				1,513
Interest income				133
Other unallocated income and losses, net				(191)
Unallocated expenses				<u>(19,417)</u>
Profit before tax				<u>1,269</u>

Segment revenue represents revenue from external customers. There were no inter-segment sales for the year ended 31 March 2024 (2023: 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/sustained by each segment without allocation of 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.

Other segment information

<i>For the year ended 31 March 2024</i>	Fitting-out work HK\$'000	Renovation work HK\$'000	Nano-AM work HK\$'000	Total HK\$'000
Capital expenditure allocated to segments	–	–	–	–
Unallocated capital expenditure				<u>3,393</u>
Total capital expenditure				<u><u>3,393</u></u>
Depreciation allocated to segments	–	–	–	–
Unallocated depreciation				<u>2,895</u>
Total depreciation				<u><u>2,895</u></u>
Impairment loss (reversed)/recognised, allocated to segments on				
Trade receivables	(783)	(139)	–	(922)
Contract assets	464	4,398	–	4,862
Unallocated impairment loss recognised on other receivables				<u>1,075</u>
Total impairment losses				<u><u>5,015</u></u>

<i>For the year ended 31 March 2023</i>	Fitting-out work <i>HK\$'000</i>	Renovation work <i>HK\$'000</i>	Nano-AM work <i>HK\$'000</i>	Total <i>HK\$'000</i>
Capital expenditure allocated to segments	–	–	–	–
Unallocated capital expenditure				<u>1,142</u>
Total capital expenditure				<u><u>1,142</u></u>
Depreciation allocated to segments	–	–	–	–
Unallocated depreciation				<u>2,841</u>
Total depreciation				<u><u>2,841</u></u>
Impairment loss recognised, allocated to segments on				
Trade receivables	1,017	415	–	1,432
Contract assets	706	321	–	1,027
Unallocated impairment loss recognised on other receivables				<u>231</u>
Total impairment losses				<u><u>2,690</u></u>

Geographical information

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

5. OTHER INCOME AND GAINS/(LOSSES), NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	232	133
Sundry income	24	15
Gain/(loss) on change in fair value of financial assets at fair value through profit or loss	16	(204)
Government subsidies under the Employment Support Scheme	–	1,490
Government subsidies under the Distance Business Programme	–	23
Loss on disposal of plant and equipment	(227)	–
Net exchange losses	(13)	(2)
	<u>32</u>	<u>1,455</u>

6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on		
Amount due to ultimate holding company	765	–
Bank and other borrowings	1,467	396
Lease liabilities	172	180
	<u>2,404</u>	<u>576</u>

7. (LOSS)/PROFIT BEFORE TAX

	2024	2023
	HK\$'000	HK\$'000
(Loss)/profit before tax has been arrived at after charging:		
Directors' emoluments		
Fees	–	61
Salaries, allowances and other benefits	3,640	3,740
Discretionary bonus	–	1,700
Retirement benefit scheme contributions	<u>24</u>	<u>36</u>
	<u>3,664</u>	<u>5,537</u>
Other staff costs		
Salaries, allowances and other benefits	32,853	29,028
Discretionary bonus	1,764	1,593
Retirement benefit scheme contributions	<u>1,027</u>	<u>919</u>
	<u>35,644</u>	<u>31,540</u>
Total staff costs	39,308	37,077
Less: amounts included in cost of services	<u>(29,468)</u>	<u>(26,303)</u>
Amounts included in administrative expenses	<u>9,840</u>	<u>10,774</u>
Auditor's remuneration	530	530
Depreciation of plant and equipment	571	459
Depreciation of right-of-use assets	<u>2,324</u>	<u>2,382</u>

8. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong Profits Tax		
– provision for the year	–	101
	<u>–</u>	<u>101</u>

Hong Kong Profits Tax of the qualifying group entity is calculated at the rate of 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the remaining amount of the estimated assessable profits of the Group.

At the end of the reporting period, the Group has unused tax losses of approximately HK\$21,457,000 (2023: HK\$7,448,000) available for offsetting against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

9. DIVIDENDS

The directors do not recommend the payment of a dividend in respect of the year (2023: Nil).

10. (LOSS)/EARNINGS PER SHARE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(Loss)/earnings for the purpose of basic loss/earnings per share		
(Loss)/profit for the year attributable to the owners of the Company	<u>(14,545)</u>	<u>1,188</u>
	2024 '000	2023 '000
Number of ordinary shares for the purpose of basic loss/earnings per share		
Weighted average number of shares in issue during the year	<u>340,000</u>	<u>333,260</u>

No diluted loss/earnings per share is presented for the years ended 31 March 2024 and 2023 as there were no potential ordinary shares in issue for both of these years.

11. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables, gross	44,300	14,785
Less: Impairment loss recognised	<u>(918)</u>	<u>(1,840)</u>
Trade receivables, less impairment losses	<u>43,382</u>	<u>12,945</u>
Other receivables, gross	1	1,554
Less: Impairment loss recognised	<u>–</u>	<u>(478)</u>
Other receivables, less impairment losses	<u>1</u>	<u>1,076</u>
Total trade and other receivables	<u><u>43,383</u></u>	<u><u>14,021</u></u>

The Group does not allow any credit period to its customers.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically. The majority of the Group's trade receivables that are neither past due nor impaired have good credit quality with reference to respective settlement history. The Group does not hold any collateral over these balances.

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period.

The Group's trade receivables as at 31 March 2024 with the aggregate carrying amount of approximately HK\$43,382,000 (2023: HK\$12,945,000) were past due at the reporting date. The Group does not hold any collateral over these balances. Trade receivables are non-interest bearing.

The following is an analysis of the trade receivables which are past due based on the invoice date and net of provisions but not impaired:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Overdue:		
0 to 30 days	33,331	9,724
31 to 60 days	5,087	914
61 to 90 days	4,345	–
Over 90 days	619	2,307
	<u>43,382</u>	<u>12,945</u>

An impairment assessment for trade receivables was performed at the reporting date based on expected credit loss provisioning methodology with reference to historical experience and forward-looking information.

Movements in the provision for impairment loss of trade receivables are as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
At beginning of the year	1,840	408
Impairment loss (reversed)/recognised for the year	(922)	1,432
At end of the year	<u>918</u>	<u>1,840</u>

The carrying amount of other receivables at 31 March 2023 represent advance to a third party amounted to approximately HK\$1,076,000 which is unsecured, interest-free and repayable on demand.

The Group applies the lifetime expected credit loss basis to provide for expected credit loss in respect of other receivables. The provision rates are determined with reference to the expected credit rating of the debtors and their respective default rates (taking into consideration forward-looking information that is receivable and supportable available without undue costs or effort). At every reporting date, the default rates are reassessed and changes in the forward-looking information are considered.

Movements in the provision for impairment loss of other receivables are as follows:

	2024	2023
	HK\$'000	HK\$'000
At beginning of the year	478	247
Impairment loss recognised for the year	1,075	231
Eliminated on other receivables written off	<u>(1,553)</u>	<u>–</u>
At end of the year	<u>–</u>	<u>478</u>

12. CONTRACT ASSETS/CONTRACT LIABILITIES

	2024	2023
	HK\$'000	HK\$'000
Fitting-out work	76,027	67,330
Renovation work	<u>17,322</u>	<u>25,028</u>
	93,349	92,358
Less: Impairment loss recognised	<u>(1,698)</u>	<u>(4,020)</u>
	<u>91,651</u>	<u>88,338</u>

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.

Included in contracts assets at 31 March 2024 are retention money held by customers for contract work amounted to a total of approximately HK\$42,020,000 (2023: HK\$13,448,000), of which approximately HK\$18,959,000 (2023: HK\$5,248,000) was expected to be recovered or settled in more than twelve months from the end of the reporting period. The customers of the Group normally hold retention money of typically 5% to 10% of each interim payment, to the maximum of 5% of the total contract amount. 50% of the retention money is usually released after the issue of the certificate of practical completion and the remaining portion is usually released upon the issue of certificate of making good defects after the expiry of the defect liability period which is typically 12 months or for certain projects 24 months.

Retention money is unsecured, interest free and expected to be realised within the Group's normal operating cycle.

The Group applies the lifetime expected credit loss basis to provide for expected credit loss in respect of contract assets. The provision rates are determined with reference to the expected credit rating of the debtors and their respective default rates (taking into consideration forward-looking information that is receivable and supportable available without undue costs or effort). At every reporting date, the default rates are reassessed and changes in the forward-looking information are considered.

Movements in the impairment loss of contract assets recognised are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At beginning of the year	4,020	2,993
Impairment loss recognised for the year	4,862	1,027
Eliminated on contract assets written off	<u>(7,184)</u>	<u>–</u>
At end of the year	<u><u>1,698</u></u>	<u><u>4,020</u></u>

Contract liabilities

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Fitting-out work	8,765	7,262
Renovation work	4,538	4,747
Nano-AM work	<u>435</u>	<u>254</u>
	<u><u>13,738</u></u>	<u><u>12,263</u></u>

The Group requires certain fitting-out and renovation work customers to provide upfront deposits ranged from 10% to 30% of the total contract sum as part of its credit risk management policies. When the Group receives a deposit before the contract work commences, this will give rise to contract liabilities at the start of a contract until the revenue recognised on the relevant contract exceeds the amount of the deposits.

For the maintenance services of Nano-AM work, the Group receives quarterly, semi-annually or annually maintenance service fees before services are rendered by the Group, which will give rise to contract liabilities until the related maintenance services are performed by the Group.

The following table shows the revenue recognised in the current reporting period which relates to brought-forward contract liabilities.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue recognised for the year that was included in the contract liabilities balance at the beginning of the year		
– Fitting-out work	7,117	11,989
– Renovation work	4,055	8,681
– Nano-AM work	<u>254</u>	<u>–</u>
	<u>11,426</u>	<u>20,670</u>

There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in prior years (2023: Nil).

The changes in contract assets and contract liabilities are due to (a) changes in the progress of contract works when the Group satisfies the performance obligations under the contracts; (b) reclassification of contract assets to trade receivables when the Group has unconditional right to the receivables; and (c) maintenance services of Nano-AM work are performed by the Group.

The following table shows how much of the revenue expected to be recognised relates to contracts with an original expected duration of more than one year:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Expected to be recognised within one year	13,738	12,009
Expected to be recognised after one year	<u>–</u>	<u>–</u>
	<u>13,738</u>	<u>12,009</u>

For all other contracts with an original expected duration of one year or less or are billed based on time incurred, as permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

13. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	28,787	16,754
Accrued interest on amount due to ultimate holding company	286	–
Accrued interest on borrowings from directors of the Company	743	–
Other accruals and payables	<u>5,038</u>	<u>3,626</u>
	<u><u>34,854</u></u>	<u><u>20,380</u></u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
1–30 days	20,149	16,528
31–60 days	7,575	25
61–90 days	1,036	25
Over 90 days	<u>27</u>	<u>176</u>
	<u><u>28,787</u></u>	<u><u>16,754</u></u>

14. SHARE CAPITAL

Details of the Company's shares are set out as follows:

	Number of shares '000	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	<u>10,000,000</u>	<u>100,000</u>
Issued and fully paid:		
1 April 2022	320,000	3,200
Issue of shares	<u>20,000</u>	<u>200</u>
At 31 March 2023, 1 April 2023 and 31 March 2024	<u><u>340,000</u></u>	<u><u>3,400</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

The Group is principally engaged in the provision of fitting-out services, renovation services and Nano-AM application services 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 a total of 11 large-scaled fitting-out projects which comprised 9 fitting-out projects and 2 renovation projects with an aggregate contract sum of approximately HK\$480.4 million during the Year and contributed a revenue of approximately HK\$148.3 million for the Year. In Previous Year, the Group had awarded a total of 4 large-scaled fitting-out projects with an aggregate contract sum of HK\$198.3 million and contributed a revenue of approximately HK\$30.5 million for the Previous Year.

Nano-AM application services

In the last year, 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.

Financial Review

Revenue

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

The following table shows our revenue by operating segment during the years ended 31 March 2024 and 2023:

	For the year ended 31 March			
	2024		2023	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Fitting-out work	255,786	74.0	172,991	66.4
Renovation work	85,776	24.8	83,010	31.9
Nano-AM work	4,068	1.2	4,472	1.7
	<u>345,630</u>	<u>100.0</u>	<u>260,473</u>	<u>100.0</u>

For the Year under review, the Group's revenue was approximately HK\$345.6 million, representing an increase of approximately 32.7% as compared to the revenue of approximately HK\$260.5 million for the Previous Year.

The revenue for fitting-out works for the Year was approximately HK\$255.8 million, represented an increase of approximately 47.9% from approximately HK\$173.0 million for the Previous Year. The increase was mainly due to the increase in revenue contributed from several large-scaled fitting projects located in Pak Shek Kok, Jordan, Wang Chuk Hang, The Peak and Lantau Islands which contributed an aggregate revenue of approximately HK\$94.9 million for the Year.

The revenue for renovation works for the Year was approximately HK\$85.8 million, represented an increase of approximately 3.3% from approximately HK\$83.0 million for the Previous Year.

Cost of Services and Gross Profit

The Group's cost of services mainly comprised subcontracting costs, material costs and direct staff costs. The increase in cost of services was generally in line with the increase in revenue for the Year.

The following table shows our gross profit and gross profit margin by operating segment during the years ended 31 March 2024 and 2023:

	For the year ended 31 March			
	2024		2023	
	Gross Profit HK\$'000	Gross Profit Margin %	Gross Profit HK\$'000	Gross Profit Margin %
Fitting-out work	10,516	4.1	11,698	6.8
Renovation work	39	0.0	8,279	10.0
Nano-AM work	1,432	35.2	1,713	38.3
	<u>11,987</u>	<u>3.5</u>	<u>21,690</u>	<u>8.3</u>

The overall gross profit decreased by approximately HK\$9.7 million or 44.7% from approximately HK\$21.7 million for the Previous year to approximately HK\$12.0 million for the Year, which was primarily attributable to the decrease in gross profit of renovation works and fitting-out works by HK\$8.2 million and HK\$1.2 million respectively.

The decrease in gross profit from fitting-out work was mainly due to lower gross profit margin for certain large scaled fitting-out projects undertaken during the Year. The decrease in gross profit from renovation work was mainly due to cost overrun of certain large-scaled renovation projects for the Year.

Other income and gains/(losses), net

The Group's other income and gains/(losses), net decreased by approximately HK\$1,423,000 from approximately HK\$1,455,000 for the Previous Year to approximately HK\$32,000 for the Year. Such decrease was primarily due to a decrease of government subsidies amounted to approximately HK\$1,513,000.

Impairment loss of trade receivables, other receivables and contract assets

The Group's impairment loss of trade receivables, other receivables and contract assets amounted to approximately HK\$5.0 million and HK\$2.7 million for the years ended 31 March 2024 and 2023 respectively, representing an increase of approximately 86.4%. Such increase was primarily due to an increase in impairment loss of contract assets for the Year by approximately HK\$3.8 million partially offset by a decrease in impairment loss of trade receivables for the Year by HK\$2.4 million.

Administrative Expenses

The Group's administrative expenses amounted to approximately HK\$19.1 million and HK\$18.6 million for the years ended 31 March 2024 and 2023 respectively, representing an increase of approximately 2.9%.

Finance Costs

The Group's finance costs amounted to approximately HK\$2.4 million and HK\$0.6 million for the years ended 31 March 2024 and 2023 respectively, representing an increase of approximately 317.4%. Such increase was mainly due to an increase in interest on loan from related parties by approximately HK\$1.7 million.

Income Tax Expense

Income tax expense of the Group for the Year was Nil (2023: approximately HK\$0.1 million).

(Loss)/Profit and Total Comprehensive (Expense)/Income for the Year

As a result of the aforesaid, the Group recorded a loss and total comprehensive expense attributable to the owners of the Company of approximately HK\$14.5 million for the Year, as compared to that of a profit and total comprehensive income attributable to the owners of the Company of approximately HK\$1.2 million for the Previous Year.

Borrowing Facilities

As at 31 March 2024, the Group has obtained credit facilities from banks up to a maximum amount of approximately HK\$30.0 million (2023: HK\$75.9 million), which include, but not limited to, revolving loan, term loan, overdraft and bank guarantee. Out of total banking facilities, revolving loan facility of Nil (2023: HK\$4.0 million) and term loan facility of HK\$7.4 million (2023: HK\$9.0 million) were outstanding. As at 31 March 2024, the total value of guarantees under surety bonds issued in favour of the Group's customers amounted to approximately HK\$10.4 million (2023: HK\$20.6 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.

LIQUIDITY AND FINANCIAL RESOURCES

The Group practiced prudent financial management and maintained a strong and sound financial position during the year ended 31 March 2024. As at 31 March 2024, the Group had bank balances and cash of approximately HK\$23.3 million (2023: HK\$26.3 million). The decrease in bank balances and cash was mainly due to the net cash used in operating activities of approximately HK\$27.5 million; and partially offset by an advance from the directors of the Company of approximately HK\$27.0 million. As at 31 March 2024, the Group's bank balances and cash, except a small aggregate amount of approximately HK\$362,000 (2023: HK\$344,000) in foreign currencies including Renminbi, United States dollars and Euro dollars, were held in Hong Kong dollars. The current ratio remained approximately 2.3 times and 2.4 times as of 31 March 2023 and 31 March 2024 respectively. The gearing ratio, calculated based on the total borrowings divided by total equity at the end of the year and multiplied by 100%, increased from 15.7% as at 31 March 2023 to approximately 70.7% as at 31 March 2024 due to an increase in interest bearing borrowings from directors of the Company and ultimate holding company. With available bank balances and cash and bank credit facilities, the Group has sufficient liquidity to satisfy its funding requirements.

CAPITAL STRUCTURE

As at 31 March 2024, the Company's issued share capital was HK\$3,400,000 (2023: HK\$3,400,000) and the number of its issued ordinary shares was 340,000,000 (2023: 340,000,000) 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:

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

	Planned use of proceeds <i>HK\$'000</i>	Amount not yet utilised as at 31 March 2023 <i>HK\$'000</i>	Amount utilised during the year ended 31 March 2024 <i>HK\$'000</i>	Amount not yet utilised as at 31 March 2024 <i>HK\$'000</i>	Expected timeline for utilisation of the unused net proceeds
Working capital	<u>10,644</u>	<u>8,581</u>	<u>6,610</u>	<u>1,971</u>	By 30 September 2024

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) and there were only insignificant balances of financial assets that were denominated in foreign currency as at 31 March 2024.

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 Year. 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 31 March 2024, the Group had bank deposits amounted to Nil (2023: approximately HK\$6.1 million) and investment in a life insurance policy with a fair value of HK\$3.7 million (2023: HK\$3.7 million) which were pledged to secure banking facilities granted to the Group.

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 performance bonds as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Issued by banks	<u>10,380</u>	<u>20,599</u>

CAPITAL COMMITMENTS

As at 31 March 2024 and 2023, the Group did not have any significant capital commitments.

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

The Group did not have any other plans for material investment and capital assets as at 31 March 2024.

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 year ended 31 March 2024.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024, the Group employed a total of 80 employees (2023: 56 employees). The staff costs, including directors' emoluments, of the Group were approximately HK\$39.3 million for the year ended 31 March 2024 (2023: approximately HK\$37.1 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to a basic salary, year-end discretionary bonuses were offered to those staff with outstanding performance. The Group operates a defined contribution mandatory provident fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of its employees in Hong Kong in accordance with the rules of the MPF Scheme.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Up to the date of this announcement, there was no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the year ended 31 March 2024.

CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

The Board and the management of the Company are committed to the maintenance of good corporate governance, practices and procedures. The Company believes that good corporate governance provides a solid foundation for the Group to manage business risks and is also one of the key factors leading to the success of the Company so as to balance the interests of shareholders, customers and employees. The Board is devoted to ongoing enhancements and review of the efficiency and effectiveness of such principles and practices to ensure that all of them are in line with corporate governance best practices.

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 Year, 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 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 four 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 securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the Year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATE CORPORATIONS

As at 31 March 2024, 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%
Ms. Lin Xiaoling ⁽³⁾	Beneficial owner ⁽⁴⁾	2,550,000	0.75%
Mr. Lee Chi Wai	Beneficial owner	155,000	0.05%

Name	Capacity/Nature of interest	Interests in Shares	Approximate percentage shareholding
Mr. Keung Hon Sing Samuel	Interest of spouse ⁽⁴⁾	2,550,000	0.75%
Prof. Leung Yiu Cheong	Beneficial owner	2,500,000	0.74%
Prof. Leung Kwok Hi Michael ⁽⁵⁾	Beneficial owner	3,200,000	0.94%
Ms. Cheung Kong Hung	Beneficial owner	385,000	0.11%

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.
3. Ms. Lin Xiaoling has resigned as executive Director of the Company on 21 June 2024.
4. Mr. Keung Hon Sing Samuel is the spouse of Ms. Lin Xiaoling. Therefore, Mr. Keung Hon Sing Samuel is deemed to be interested in shares held by Ms. Lin Xiaoling by virtue of the SFO.
5. Prof. Leung Kwok Hi Michael has resigned as non-executive Director of the Company on 3 May 2024.

Saved as disclosed above, as at 31 March 2024, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 to Rule 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

So far as the Directors are aware, as at 31 March 2024, other than the Directors or chief executives of the Company whose interests or short positions are disclosed under the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company 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	Interest of spouse ⁽²⁾	164,200,000	48.29%
Mr. Chen Yi Sung	Beneficial owner	36,730,000	10.80%

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 31 March 2024, 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 SHARES OR DEBENTURES

Other than as disclosed under the section “Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or Its Associated Corporations” above, at no time during the Year 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 shares during the Year.

COMPETITION AND CONFLICT OF INTERESTS

Each of the controlling shareholders (as defined under the GEM Listing Rules) of the Company entered into a deed of non-competition dated 19 January 2018 in favour of the Company (the “**Deed of Non-competition**”). Details of the Deed of Non-competition are set out in the section headed “Relationship with our Controlling Shareholders” in the Prospectus.

During the Year, none of the directors, the management shareholders or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict of interests with the Group.

The Company has received the confirmation from the controlling shareholders in respect of their compliance with the terms of the Deed of Non-competition for the Year. The independent non-executive Directors had reviewed and confirmed that, having made such reasonable enquiries with the controlling shareholders and reviewed such documents as they considered appropriate, nothing has come to their attention that causes them to believe that the terms of the Deed of Non-competition had not been complied with by the controlling shareholders during the Year and the Deed of Non-competition has been enforced by the Company in accordance with its terms for the Year.

AUDIT COMMITTEE

The Company established the audit 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 as set out in Appendix 15 to the GEM Listing Rules. The terms of reference setting out the audit committee's authority, duties and responsibilities are available on both the websites of the Stock Exchange and the Company. The audit committee has four members comprising the four independent non-executive Directors, namely Mr. Chiu Wai Hon, Mr. Chow Kwok Kee, Mr. Xu Zhi Qiang and Ms. Cheung Kong Hung. The chairman of the audit committee is Mr. Chiu Wai Hon. The Group's annual results for the year ended 31 March 2024 have been reviewed by the audit committee.

SCOPE OF WORK OF MESSRS. CCTH CPA LIMITED

The figures in respect the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, CCTH CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by CCTH CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH CPA Limited on the preliminary announcement.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting ("AGM") of the Company will be held on Tuesday, 10 September 2024, at 11:00 a.m., at Conference Hall 07, 2/F, Building 10W, 10 Science Park West Avenue, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong. A notice convening the AGM will be published and despatched to the shareholders of the Company in the manner required by the GEM Listing Rules in due course.

DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended 31 March 2024.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 5 September 2024 to Tuesday, 10 September 2024 (both days inclusive), during which period no transfer of shares will be registered. In order to attend and vote at the AGM, all transfer of shares accompanied by the relevant share certificates and transfer forms must be lodged for registration with the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited (the "**Hong Kong Share Registrar**"), at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 4 September 2024.

PUBLICATION OF 2024 ANNUAL REPORT

The 2024 annual report of the Company containing all the information required by the GEM Listing Rules will be despatched to the shareholders of the Company and will also be published on the website of the Company at www.coolpointinnonism.com in due course.

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

Hong Kong, 27 June 2024

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, MH, Mr. Lee Chi Wai and Mr. Keung Hon Sing Samuel; the non-executive director of the Company is Prof. Leung Yiu Cheong; and the independent non-executive directors of the Company are Mr. Chow Kwok Kee, PMSM, Mr. Xu Zhi Qiang, Mr. Chiu Wai Hon and Ms. Cheung Kong Hung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the "Latest Company Announcements" page of the Stock Exchange 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.