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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 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 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 2024, together with the unaudited comparative figures for the three months and six months ended 30 June 2023, as follows:

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

For the six months ended 30 June 2024

| | | Six months ended | |
|---|--------------|-------------------------|--------------------|
| | | 30 June | |
| | <i>Notes</i> | 2024 | 2023 |
| | | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | | (Unaudited) | (Unaudited) |
| Revenue | 3 | 88,811 | 79,051 |
| Cost of services | | <u>(58,968)</u> | <u>(50,172)</u> |
| Gross profit | | 29,843 | 28,879 |
| Other income | 3 | 1,355 | 2,726 |
| Administrative expenses | | (17,353) | (16,357) |
| Finance costs | | <u>(223)</u> | <u>(63)</u> |
| Profit before income tax | 5 | 13,622 | 15,185 |
| Income tax expenses | 6 | <u>(1,560)</u> | <u>(1,985)</u> |
| Profit and total comprehensive income for the period attributable to equity holders of the Company | | <u>12,062</u> | <u>13,200</u> |
| Earning per share attributable to equity holders of the Company | | | |
| Basic and diluted (HK cents per share) | 7 | <u>1.51</u> | <u>1.65</u> |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

| | <i>Notes</i> | As at 30 June 2024 HK\$'000 (Unaudited) | As at 31 December 2023 HK\$'000 (Audited) |
|--|--------------|--|--|
| ASSETS AND LIABILITIES | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 9,616 | 11,536 |
| Deferred tax assets | | 2,546 | 2,382 |
| | | <u>12,162</u> | <u>13,918</u> |
| Current assets | | | |
| Contract assets | | 31,550 | 29,903 |
| Trade and other receivables | 9 | 72,998 | 74,768 |
| Cash and bank balances | | 71,542 | 67,547 |
| | | <u>176,090</u> | <u>172,218</u> |
| Current liabilities | | | |
| Contract liabilities | | 320 | 272 |
| Provisions | | 1,793 | 1,888 |
| Trade and other payables | 10 | 8,768 | 13,733 |
| Lease liabilities | | 4,402 | 3,544 |
| Amount due to a director | | – | 5,163 |
| Tax payable | | 2,938 | 1,214 |
| | | <u>18,221</u> | <u>25,814</u> |
| Net current assets | | <u>157,869</u> | 146,404 |
| Total assets less current liabilities | | <u>170,031</u> | 160,322 |
| Non-current liabilities | | | |
| Lease liabilities | | 2,150 | 4,503 |
| Long service payment obligations | | 2,722 | 2,722 |
| | | <u>4,872</u> | <u>7,225</u> |
| Net assets | | <u>165,159</u> | <u>153,097</u> |
| EQUITY | | | |
| Share capital | 11 | 8,000 | 8,000 |
| Reserves | 12 | 157,159 | 145,097 |
| Total equity | | <u>165,159</u> | <u>153,097</u> |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

| | 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 2024 (Audited) | 8,000 | 17,000 | 64,668 | 63,429 | 153,097 |
| Profit and total comprehensive income for the period | <u>–</u> | <u>–</u> | <u>–</u> | <u>12,062</u> | <u>12,062</u> |
| Balance at 30 June 2024 (Unaudited) | <u><u>8,000</u></u> | <u><u>17,000</u></u> | <u><u>64,668</u></u> | <u><u>75,491</u></u> | <u><u>165,159</u></u> |

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><u>8,000</u></u> | <u><u>17,000</u></u> | <u><u>64,668</u></u> | <u><u>114,886</u></u> | <u><u>204,554</u></u> |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)**

| | Six months ended 30 June | |
|--|---------------------------------|-----------------|
| | 2024 | 2023 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Net cash generated from/(used in) operating activities | 6,201 | (7,227) |
| Net cash (used in)/generated from investing activities | (405) | 57,311 |
| Net cash used in financing activities | <u>(1,801)</u> | <u>(2,088)</u> |
| Increase in cash and cash equivalents | 3,995 | 47,996 |
| Cash and cash equivalents at beginning of the period | <u>67,547</u> | <u>79,169</u> |
| Cash and cash equivalents at end of the period | <u>71,542</u> | <u>127,165</u> |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. CORPORATE INFORMATION

Boltek Holdings Limited 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 Company's shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 13 September 2018. The addresses of its registered office and principal place of business is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and 5/F, Winning Commercial Building, 46-48 Hillwood Road, Tsim Sha Tsui, Kowloon, Hong Kong, respectively.

The Company, which is an investment holding company, and its subsidiaries (collectively referred as the "Group") are principally engaged in provision of engineering design, landscape architecture and consultancy services in Hong Kong and investment holding.

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

The unaudited consolidated financial statements for the six months ended 30 June 2024 were approved for issue by the board of directors on 9 August 2024.

2. BASIS OF PREPARATION AND REORGANISATION

These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the accounting principles generally accepted in Hong Kong.

The unaudited condensed consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance ("CO") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange ("GEM Listing Rules").

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$" or "HKD"), 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 2023 as set out in the annual report of the Company dated 28 March 2024 ("Annual Report") and the unaudited consolidated financial information for the period ended 30 June 2023 as set out in the interim report of the Company dated 11 August 2023.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

Except as described below, the accounting policies used in the financial highlights for the six months ended 30 June 2024 are the same as those followed in the preparation of the Annual Report.

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, landscape architecture and consultancy services as follows:

| | Six months ended 30 June | |
|---------------------------------|--|--|
| | 2024 <i>HK\$'000</i> (Unaudited) | 2023 <i>HK\$'000</i> (Unaudited) |
| Civil engineering | | |
| – Road & structural engineering | 56,396 | 52,999 |
| – Geotechnical engineering | 5,929 | 5,856 |
| – Others | 7,187 | 5,659 |
| | <hr/> | <hr/> |
| | 69,512 | 64,514 |
| Traffic engineering | 12,390 | 11,528 |
| Building engineering | 3,015 | 2,763 |
| Landscape architecture | 2,887 | – |
| Other ancillary services | 1,007 | 246 |
| | <hr/> | <hr/> |
| | 88,811 | 79,051 |
| | <hr/> <hr/> | <hr/> <hr/> |

Under the contracts with customers, each engineering design, landscape architecture 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 2024.

| | At 30 June 2024 <i>HK\$'000</i> (Unaudited) |
|--|--|
| Remaining performance obligations expected to be satisfied during the year ending | |
| 30 June 2024 | 189,005 |
| 30 June 2025 | 70,164 |
| After 30 June 2025 | 37,450 |
| | <hr/> |
| | 296,619 |
| | <hr/> <hr/> |

3.2 Other income

| | Six months ended 30 June | |
|--------------------------------------|--------------------------|--------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Bank interest income | 681 | 2,130 |
| Government subsidies (<i>note</i>) | 674 | 596 |
| | <u>1,355</u> | <u>2,726</u> |

Note: 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.

4. SEGMENT INFORMATION

Segment information

The chief operating decision maker has been identified as the executive directors of the Company. The executive directors regard the Group’s business of provision of engineering design, landscape architecture 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 performance assessment. 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

| | Six months ended 30 June | |
|---|---------------------------------|--------------------|
| | 2024 | 2023 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (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 | 54,469 | 45,716 |
| – Contributions to defined contribution retirement plans | 1,500 | 1,217 |
| | <u>55,969</u> | <u>46,933</u> |
| (b) Other items | | |
| Depreciation (included in administrative expenses) | | |
| – Owned assets | 892 | 806 |
| – Right of use asset | 2,001 | 1,957 |
| Subconsultancy fees (included in cost of services) | 7,232 | 4,468 |
| Auditor's remuneration | 400 | 449 |
| Operating lease charges in respect of leased premises | 1,157 | 192 |
| | <u>1,157</u> | <u>192</u> |

Note:

- (i) Staff costs (including directors' emoluments)

| | Six months ended 30 June | |
|-------------------------|---------------------------------|--------------------|
| | 2024 | 2023 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Unaudited) |
| Cost of services | 50,372 | 41,769 |
| Administrative expenses | 5,597 | 5,164 |
| | <u>55,969</u> | <u>46,933</u> |

6. INCOME TAX EXPENSE

| | Six months ended 30 June | |
|-------------------------------------|--------------------------|--------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Current tax – Hong Kong Profits Tax | 1,724 | 2,013 |
| Deferred income tax | (164) | (28) |
| | <u>1,560</u> | <u>1,985</u> |

The provision for Hong Kong Profits Tax for the six month ended 30 June 2024 is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the Period, except for Mannings (Asia) Consultants Limited (“Mannings”), a subsidiary of the Group, which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying entities are taxed at 8.25%, and the profits above HK\$2 million are taxed at 16.5%.

7. EARNING PER SHARE

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

| | Six months ended 30 June | |
|---|--------------------------|-----------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Earning | | |
| Profit for the period attributable to equity holders of the Company | <u>12,062</u> | <u>13,200</u> |
| Number of shares | | |
| Number of ordinary shares (in thousands) | <u>800,000</u> | <u>800,000</u> |
| | <i>HK Cents</i> | <i>HK Cents</i> |
| Basic earnings per share | <u>1.51</u> | <u>1.65</u> |

There were no dilutive potential ordinary shares during the six months ended 30 June 2024 and 2023 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 six months ended 30 June 2024 and 2023. Diluted earnings per share for the six months ended 30 June 2024 and 2023 were the same as the basic earnings per share.

8. DIVIDEND

At a meeting held on 9 August 2024, the Board of Directors of the Company declared 2024 interim dividend of HK\$0.05625 per ordinary share to the shareholders totaling HK\$45 million (for the six months ended 30 June 2023: HK\$65 million).

9. TRADE AND OTHER RECEIVABLES

| | As at 30 June 2024 HK\$'000 (Unaudited) | As at 31 December 2023 HK\$'000 (Audited) |
|----------------------------|---|---|
| Trade receivables | 60,130 | 61,827 |
| Less: ECL allowance | <u>(2,221)</u> | <u>(2,221)</u> |
| | <u>57,909</u> | <u>59,606</u> |
| Other receivables | 13,204 | 13,205 |
| Prepayments | 1,530 | 1,517 |
| Utility and other deposits | <u>355</u> | <u>440</u> |
| | <u>72,998</u> | <u>74,768</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 2024 HK\$'000 (Unaudited) | As at 31 December 2023 HK\$'000 (Audited) |
|---------------|---|---|
| 0 – 30 days | 13,771 | 17,839 |
| 31 – 60 days | 9,430 | 13,180 |
| 61 – 90 days | 6,571 | 6,007 |
| 91 – 365 days | 17,876 | 15,454 |
| Over 365 days | <u>10,261</u> | <u>7,126</u> |
| | <u>57,909</u> | <u>59,606</u> |

Other receivables

Other receivables represent resident site staff salary and medical insurance paid as well as secondment staff salaries, which have been fully reimbursed from HKSAR Government authorities subsequently. In respect of projects awarded by the HKSAR Government, it is required to recruit resident site staff to perform site supervision and maintain proper records of site activities. Pursuant to the contract terms, the actual expenditure paid to those employed resident site staff are entitled to be reimbursed by HKSAR Government on a monthly basis.

10. TRADE AND OTHER PAYABLES

| | As at 30 June 2024 <i>HK\$'000</i> (Unaudited) | As at 31 December 2023 <i>HK\$'000</i> (Audited) |
|------------------------------------|--|--|
| Trade payables (<i>note (a)</i>) | 1,025 | 2,922 |
| Accruals and other payables | <u>7,743</u> | <u>10,811</u> |
| | <u>8,768</u> | <u>13,733</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 2024 <i>HK\$'000</i> (Unaudited) | As at 31 December 2023 <i>HK\$'000</i> (Audited) |
|---------------|--|--|
| 0 – 30 days | 200 | 2,202 |
| 31 – 60 days | 342 | 97 |
| 61 – 90 days | – | – |
| 91 – 365 days | – | 190 |
| Over 365 days | <u>483</u> | <u>433</u> |
| | <u>1,025</u> | <u>2,922</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

| | Number of shares | <i>HK\$'000</i> |
|--|---------------------|-----------------|
| Authorised: | | |
| Ordinary share of HK\$0.01 | | |
| As at 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024 | 1,500,000,000 | 15,000 |
| Issued and fully paid: | | |
| As at 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024 | <u>800,000</u> | <u>8,000</u> |

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 2024 and 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 when the Company's share were listed on GEM of the Stock Exchange (the "Reorganisation").

(b) Share premium

The share premium includes 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.

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 2024, the Group recorded a net profit of approximately HK\$12.1 million as compared to a net profit of approximately HK\$13.2 million for the same period in 2023. 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 increased to approximately HK\$88.8 million for the Period by approximately HK\$9.8 million or 12.3%, from approximately HK\$79.1 million for the six months ended 30 June 2023. This was principally due to an increase in project awarded during the Period.

Direct costs

Our direct costs increased to at approximately HK\$59.0 million for the Period by approximately HK\$8.8 million or 17.5% from approximately HK\$50.2 million for the six months ended 30 June 2023. The increase is mainly due to the increase in direct labour costs.

Gross profit

Our gross profit increased to at approximately HK\$29.8 million for the Period by approximately HK\$1.0 million or 3.3%, from approximately HK\$28.9 million for the six months ended 30 June 2023. The increase was substantially due to the increase in number of technical staff, which enhanced the productivity of the Group.

Other income and other gain

Other income and other gain decreased by approximately HK\$1.4 million or 50.3% from approximately HK\$2.7 million for the six months ended 30 June 2023 to approximately HK\$1.4 million for the Period. The decrease was mainly due to decrease in the bank interest income earned on time deposit, which amounted to approximately HK\$0.7 million for the Period and approximately HK\$2.1 million for the six months ended 30 June 2023.

Administrative expenses

Our administrative expenses increased to approximately HK\$17.4 million for the Period, by approximately HK\$1.0 million or 6.1%, from approximately HK\$16.4 million for the six months ended 30 June 2023. The increase was mainly due to the Group has acquired Team 73 HK Limited on 11 August 2023, a landscape architecture company incorporated in Hong Kong with limited liabilities.

Income tax expense

Income tax expense decreased by approximately HK\$0.4 million or 21.4% from approximately HK\$2.0 million for the six months ended 30 June 2023 to approximately HK\$1.6 million for the Period, the decrease was mainly due to the decrease in taxable profit for the Period.

Dividend

The Board has resolved to declare an interim dividend of HK0.05625 per ordinary share for the Period (the “Interim Dividend”), payable in cash on or about Monday, 30 September 2024 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, 28 August 2024.

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, 26 August 2024 to Wednesday, 28 August 2024, 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, 23 August 2024.

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 2024, the Group's cash and bank balances amounted to approximately HK\$71.5 million (For the year ended 31 December 2023: HK\$67.5 million).

Net current assets

As at 30 June 2024, the Group had net current assets of approximately HK\$157.9 million (For the year ended 31 December 2023: HK\$146.4 million).

Total equity

The equity of the Group mainly comprises share capital, share premium and reserves. As at 30 June 2024, the Group's total equity attributable to owners of the Company amounted to approximately HK\$165.2 million (For the year ended 31 December 2023: HK\$153.1 million).

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the Period 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 Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any contingent liabilities (For the year ended 31 December 2023: nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, including the Directors, the Group had a total of 446 employees (For the year ended 31 December 2023: 455).

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 2024 and did not have any material acquisition and disposal of subsidiary, associates or joint ventures during the Period.

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 2024 the Group's gearing ratio was nil (For the year ended 31 December 2023: 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 Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

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

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.

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 2024, 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% |
| Ng Pak Hung | Beneficial owner | 3,960,000 | 0.30% |

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 2024, 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 2024, 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 541,200,000 shares of the Company through the interest of her spouse, Mr. Cheung Kwan Tar.

Save as disclosed above, as at 30 June 2024, 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 recognises the importance of corporate transparency and accountability. The Company is committed to achieving and maintaining a high standard of corporate governance, as our Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the shareholders of the Company.

The Company's corporate governance practices are based on the Corporate Governance Code (the "CG Code") contained in part 2 of Appendix C1 of the GEM Listing Rules.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. However, the Board believes that with the support of the management, vesting the roles of both chairman of the Board and chief executive officer on Mr. Cheung Kwan Tar can facilitate the execution of the Group's business strategies and provide a strong and consistent leadership to improve the Company's efficiency in decision-making. The Board considers that appointment of Mr. Cheung Kwan Tar as the chairman of the Board and the chief executive officer of the Company will not impair the balance of power as all major decisions are made in consultation with members of the Board. In addition, under the supervision by the Board which currently consists of two executive Directors and three independent non-executive Directors, the interests of the Shareholders will be adequately and fairly represented. Therefore, the Board considers the deviation from the code provision C.2.1 of the CG Code is appropriate under such circumstances. As such, the roles of chairman and chief executive officer of the Group were not separated in accordance with code provision C.2.1 of the CG Code.

The Board will periodically review the effectiveness of this arrangement and consider separating the roles of chairman of the Board and chief executive officer of the Company when it thinks appropriate, for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

To the best knowledge of the Board, save for code provision C.2.1 of the CG Code, the Company has complied with the CG Code during the Period and up to the date of this announcement.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors' securities transactions by Directors in respect of the shares of the Company (the "Code of Conduct"). After specific enquires by the Company, all Directors have confirmed that they have fully complied with the required standard of dealings and the Code of Conduct regarding directors' securities transactions throughout the Period and up to the date of this announcement.

SHARE OPTION SCHEME

The Company has adopted the share option scheme (the “Share Option Scheme”) on 20 August 2018 and revised on 30 December 2022. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. No share option has been granted under the Share Option Scheme since its adoption.

AUDIT COMMITTEE

The Company has established an audit committee (the “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. Pang Chun Sing George and Mr. Chan Kai Kow Macksion.

The unaudited interim results of the Group for the six months ended 30 June 2024 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.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Appointment of independent non-executive Director

On 16 July 2024, Mr. Pang Chun Sing George (“Mr. Pang”) were appointed as new independent nonexecutive Directors. Mr. Pang was appointed as the chairman of the Remuneration Committee, member of Audit committee and Nomination committee with effect from 16 July 2024. For further details, please refer to the announcement of the Company dated 16 July 2024.

Save as disclosed above, up to the date of this announcement, there was no other significant events relevant to the business or finance performance of the Group that come to the attention of the Directors after the six months ended 30 June 2024. The Company will make further announcement to keep the shareholders informed should there is material future business development of the Group, and significant business, operational and financial impacts pursuant to the requirement of the GEM Listing Rules, if applicable.

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

Hong Kong, 9 August 2024

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. Pang Chun Sing George and Mr. Chan Kai Kow Mackston.

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.boltekholdings.com.