



COOLPOINT INNONISM HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8040)

INTERIM REPORT 2023



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

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*This report, 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 report 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 report misleading.*

FINANCIAL HIGHLIGHTS

For the six months ended 30 September 2023 (the “Period”)

- Revenue of the Group was approximately HK\$153.5 million, representing an increase of approximately 46.1% as compared to that of approximately HK\$105.0 million for the six months ended 30 September 2022 (the “**Previous Period**”).
- Loss and other comprehensive expense for the Period attributable to the owners of the Company decreased by approximately HK\$3.3 million or 50.3% from approximately HK\$6.6 million for the Previous Period to approximately HK\$3.3 million for the Period.
- The Board does not recommend the payment of an interim dividend for the Period.
- Loss per share of the Company for the Period was approximately HK0.96 cents (Previous Period: HK2.02 cents).

INTERIM RESULT

The board of Directors (the “Board”) of the Company is pleased to present the unaudited condensed consolidated results of the Group for the six months ended 30 September 2023, together with the unaudited comparative figures for the corresponding period in 2022, as follows:

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

For the three months and six months ended 30 September 2023

	Notes	Three months ended 30 September		Six months ended 30 September	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	4	87,444	49,613	153,492	105,048
Cost of services		(83,528)	(47,539)	(147,563)	(102,044)
Gross profit		3,916	2,074	5,929	3,004
Other income	5	68	895	149	1,401
Allowance recognised on:					
– other receivables	15	–	(229)	–	(229)
– contract assets	16	–	(2,286)	–	(2,286)
Administrative expenses		(4,964)	(4,143)	(8,993)	(8,112)
Finance costs	6	(191)	(151)	(366)	(257)
Loss before tax	7	(1,171)	(3,840)	(3,281)	(6,479)
Income tax credit/(expenses)	8	15	(120)	–	(120)
Loss and other comprehensive expense for the period		(1,156)	(3,960)	(3,281)	(6,599)
Loss and other comprehensive expense for the period attributable to:					
Owners of the Company		(1,154)	(3,959)	(3,276)	(6,595)
Non-controlling interests		(2)	(1)	(5)	(4)
		(1,156)	(3,960)	(3,281)	(6,599)
Loss per share					
Basic (HK cents)	10	(0.34)	(1.19)	(0.96)	(2.02)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

		30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
	<i>Notes</i>		
Non-current assets			
Plant and equipment	11	1,377	1,146
Right-of-use assets	12	3,722	3,588
Financial assets at fair value through profit or loss	13	3,675	3,675
		8,774	8,409
Current assets			
Inventories	14	117	163
Trade and other receivables	15	26,994	14,021
Deposits and prepayments		1,287	895
Contract assets	16	97,773	88,338
Amount due from non-controlling interest	17	126	146
Pledged bank deposits	18	6,103	6,085
Bank balances and cash		19,909	26,326
		152,309	135,974
Current liabilities			
Trade and other payables	19	19,607	20,380
Contract liabilities	20	18,364	12,263
Amounts due to directors	21	17,000	–
Amount due to ultimate holding company	22	9,900	11,900
Bank borrowings	23	12,475	13,000
Lease liabilities	24	2,202	1,827
Current income tax payable		101	101
		79,649	59,471
Net current assets		72,660	76,503

		30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
	<i>Notes</i>		
Total assets less current liabilities		81,434	84,912
Non-current liabilities			
Lease liabilities	24	1,607	1,804
Other non-current liabilities		258	258
		1,865	2,062
Net assets		79,569	85,850
Capital and reserves			
Share capital	25	3,400	3,400
Reserves		76,047	79,323
Equity attributable to owners of the Company		79,447	82,723
Non-controlling interests		122	127
Total equity		79,569	82,850

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Retained earnings	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022 (Audited)	3,200	48,097	10,010	9,584	70,891	-	70,891
Issue of shares upon share placement	200	10,444	-	-	10,644	-	10,644
Capital contribution from non-controlling interests	-	-	-	-	-	147	147
Loss and other comprehensive expense for the period	-	-	-	(6,595)	(6,595)	(4)	(6,599)
At 30 September 2022 (Unaudited)	3,400	58,541	10,010	2,989	74,940	143	75,083
At 1 April 2023 (Audited)	3,400	58,541	10,010	10,772	82,723	127	82,850
Loss and other comprehensive expense for the period	-	-	-	(3,276)	(3,276)	(5)	(3,281)
At 30 September 2023 (Unaudited)	3,400	58,541	10,010	7,496	79,447	122	79,569

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 September 2023

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Operating activities		
Loss before tax:	(3,281)	(6,479)
Adjustments for:		
Allowance recognised on:		
– other receivables	–	229
– contract assets	–	2,286
Finance costs	366	257
Depreciation of plant and equipment	215	233
Depreciation of right-of-use assets	1,166	1,304
Interest income	(149)	(22)
Operating cash flows before movements in working capital	(1,683)	(2,192)
Decrease in inventories	46	–
Increase in trade and other receivables	(12,973)	(18,823)
Increase in deposits and prepayments	(400)	–
(Increase)/decrease in contract assets	(9,435)	12,802
Decrease in amount due from non-controlling interest	20	–
Decrease in trade and other payables	(773)	(5,082)
Increase in contract liabilities	6,101	13,631
Net (used in)/cash from operating activities	(19,097)	336
Investing activities		
Interest received	141	14
Purchase of financial assets at fair value through profit or loss	–	(3,880)
Purchase of plant and equipment	(446)	(40)
(Increase)/decrease in pledged bank deposits	(18)	4,002

**Six months ended
30 September**

	2023	2022
	HK\$'000	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)

Net (used in)/cash from investing activities	(323)	96
Financing activities		
Repayment of principal element of lease liabilities	(1,106)	(1,267)
Repayment of interest element of lease liabilities	(84)	(93)
Repayment to ultimate holding company	(2,000)	-
Advance from directors	17,000	-
New bank loans raised	-	9,000
Repayment of bank loan	(525)	(6,000)
Interest paid	(282)	(164)
Capital contribution from non-controlling interests	-	147
Issue of share upon share placement	-	10,644
Net cash from financing activities	13,003	12,267
Net (decrease)/increase in cash and cash equivalents	(6,417)	12,699
Cash and cash equivalents at beginning of period	26,326	10,447
Cash and cash equivalents at end of period represented by bank balances and cash	19,909	23,146

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 8 March 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The headquarter and principal place of business of the Company 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**").

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 unaudited condensed consolidated financial statements of the Group for six months ended 30 September 2023 are presented in Hong Kong dollars ("**HK\$**"), which is the same as the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited condensed consolidated financial statements have not been audited by the Company's independent auditor, but have been reviewed by the Company's audit committee and approved for issue by the Board on 9 November 2023.

2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements for the six months ended 30 September 2023 (the "**Financial Statements**") have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. Besides, the Financial Statements include applicable disclosures required by the GEM Listing Rules. The Financial Statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. The Financial Statements are presented in Hong Kong dollar and all values are rounded to the nearest thousand except when otherwise indicated.

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

3. APPLICATION OF NEW AND REVISED HKFRSs

New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the financial year beginning on 1 April 2023:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

4. REVENUE AND SEGMENT INFORMATION

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

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

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

4. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenue and results

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

	Three months ended							
	30 September 2023				30 September 2022			
	Fitting-out work	Renovation work	Nano-AM work	Total	Fitting-out work	Renovation work	Nano-AM work	Total
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Segment revenue	67,595	19,004	845	87,444	25,432	23,069	1,112	49,613
Segment results	4,292	(556)	180	3,916	1,725	(92)	441	2,074
Government subsidies				-				879
Other unallocated income				68				16
Unallocated expenses				(5,155)				(6,809)
Loss before tax				(1,171)				(3,840)

	Six months ended							
	30 September 2023				30 September 2022			
	Fitting-out work	Renovation work	Nano-AM work	Total	Fitting-out work	Renovation work	Nano-AM work	Total
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Segment revenue	117,684	33,809	1,999	153,492	58,815	44,151	2,082	105,048
Segment results	7,861	(2,472)	540	5,929	2,508	(425)	921	3,004
Government subsidies				-				1,379
Other unallocated income				149				22
Unallocated expenses				(9,359)				(10,884)
Loss before tax				(3,281)				(6,479)

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

4. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

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

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

Geographical information

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

5. OTHER INCOME

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Other income				
Bank interest income	64	12	141	14
Government Subsidies under the Employment Support Scheme (note (i))	-	856	-	1,356
Government Subsidies under the Distance Business Programme (note (ii))	-	23	-	23
Other interest income	4	4	8	8
	68	895	149	1,401

5. OTHER INCOME (continued)

Notes:

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

6. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest on				
Bank borrowings	148	103	282	164
Lease liabilities	43	48	84	93
	191	151	366	257

7. LOSS BEFORE TAX

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Loss before tax has been arrived at after charging:				
Directors' emolument				
Fees	-	18	-	36
Salaries, allowances and other benefits	877	902	1,755	1,918
Retirement benefit scheme contributions	6	9	15	18
	883	929	1,770	1,972
Other staff costs				
Salaries, allowances and other benefits	7,937	7,302	14,913	14,740
Retirement benefit scheme contributions	249	226	458	463
	8,186	7,528	15,371	15,203
Total staff costs	9,069	8,457	17,141	17,175
Less: amounts included in cost of services	(6,633)	(6,312)	(12,552)	(12,698)
Amounts included in administrative expenses	2,436	2,145	4,589	4,477
Auditor's remuneration	132	125	265	250
Depreciation of plant and equipment	115	117	215	233
Depreciation of right-of- use assets	593	631	1,166	1,304

8. INCOME TAX CREDIT/(EXPENSES)

	Three months ended		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Hong Kong profit tax				
– current period	15	(120)	–	(120)

No provision for Hong Kong Profits Tax has been made for the Period as the Group has no assessable profits for the Period.

In the Previous Period, 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.

9. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

10. LOSS PER SHARE

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

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Loss attributable to the owners of the Company	(1,154)	(3,959)	(3,276)	(6,595)
	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of basic loss per share	340,000	333,043	340,000	326,557

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

11. PLANT AND EQUIPMENT

	Furniture and equipment <i>HK\$'000</i>	Decoration <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Audited				
Cost				
As at 1 April 2022	635	237	1,596	2,468
Additions	143	–	–	143
As at 31 March 2023	778	237	1,596	2,611
Accumulated depreciation				
As at 1 April 2022	488	135	383	1,006
Charge for the year	97	48	314	459
As at 31 March 2023	585	183	697	1,465
Carrying amount				
As at 31 March 2023	193	54	899	1,146
Unaudited				
Cost				
As at 1 April 2023	778	237	1,596	2,611
Additions	166	–	280	446
As at 30 September 2023	944	237	1,876	3,057
Accumulated depreciation				
As at 1 April 2023	585	183	697	1,465
Charge for the period	52	24	139	215
As at 30 September 2023	637	207	836	1,680
Carrying amount				
As at 30 September 2023	307	30	1,040	1,377

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

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

12. RIGHT-OF-USE ASSETS

Leased properties

HK\$'000

Audited

Cost	
As at 1 April 2022	6,870
Additions	999
Derecognised upon termination of lease	(1,837)
As at 31 March 2023	6,032
Accumulated depreciation	
As at 1 April 2022	1,899
Charge for the year	2,382
Derecognised upon termination of lease	(1,837)
As at 31 March 2023	2,444
Carrying amount	
As at 31 March 2023	3,588

Unaudited

Cost	
As at 1 April 2023	6,032
Additions	1,300
Derecognised upon termination of lease	(991)
As at 30 September 2023	6,341
Accumulated depreciation	
As at 1 April 2023	2,444
Charge for the period	1,166
Derecognised upon termination of lease	(991)
As at 30 September 2023	2,619
Carrying amount	
As at 30 September 2023	3,722

The right-of-use assets represent the Group's rights to use certain leased properties as office and staff quarter for its operations under operating lease arrangement over the lease terms, which ranged from two to four years (31 March 2023: two to four years).

12. RIGHT-OF-USE ASSETS (continued)

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

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of right-of-use assets	1,166	1,304
Interest on lease liabilities	84	93

The total cash outflow for leases for the six months ended 30 September 2023 is approximately HK\$1,190,000 (six months ended 30 September 2022: HK\$1,360,000) which was included in financing activities.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September	31 March
	2023	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Life insurance contract, at fair value	3,675	3,675

In September 2022, the Group entered into a life insurance policy (the "Policy") with an insurance company to insure a senior management personnel of a subsidiary of the Company. Under the Policy, both of the beneficiary and policy holder is a subsidiary of the Company and the policy amount is US\$520,000 (equivalent to HK\$4,083,000).

The fair value of the life insurance contract at 30 September 2023 was estimated to be US\$468,000 (31 March 2023: US\$468,000), equivalent to approximately HK\$3,675,000 (31 March 2023: HK\$3,675,000), which represents its guaranteed cash value refundable to the Group if the insurance contract was terminated as at that date. The guaranteed cash value increases over time and is estimated to be US\$520,000 during the 7th year of the insurance contract.

As at 30 September 2023, the life insurance contract with the carrying amount of HK\$3,675,000 (31 March 2023: HK\$3,675,000) were pledged for the Group's bank borrowings as disclosed in note 23.

14. INVENTORIES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Raw materials	117	163

15. TRADE AND OTHER RECEIVABLES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Trade receivables, gross	27,758	14,785
Less: Impairment loss recognised	(1,840)	(1,840)
Trade receivables, less impairment losses	25,918	12,945
Other receivables, gross	1,554	1,554
Less: Impairment loss recognised	(478)	(478)
Other receivables, less impairment losses	1,076	1,076
Total trade and other receivables	26,994	14,021

The Group's trade receivables as at 30 September 2023 with aggregate carrying amount of approximately HK\$25,918,000 (31 March 2023: HK\$12,945,000) were past due at the end of reporting period. The Group does not hold any collateral over these balances. Trade receivables are non-interest bearing.

15. TRADE AND OTHER RECEIVABLES (continued)

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

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Over due:		
0 to 30 days	19,090	9,724
31 to 60 days	4,196	914
61 to 90 days	480	-
Over 90 days	2,152	2,307
	25,918	12,945

Other receivables mainly represent advance to a third party amounted to HK\$1,076,000 (31 March 2023: HK\$1,076,000). The advance is unsecured, interest free and repayable on demand.

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

16. CONTRACT ASSETS

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Fitting-out works	83,024	67,330
Renovation works	18,769	25,028
	101,793	92,358
Less: Impairment loss recognised	(4,020)	(4,020)
	97,773	88,338

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.

16. CONTRACT ASSETS (continued)

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

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

17. AMOUNT DUE FROM NON-CONTROLLING INTEREST

The amount due from non-controlling interest of a subsidiary is unsecured, interest free and repayable on demand.

18. PLEDGED BANK DEPOSITS

Bank deposits of approximately HK\$6,103,000 (31 March 2023: HK\$6,085,000) have been pledged to banks for general banking facilities granted to the Group.

19. TRADE AND OTHER PAYABLES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Trade payables	14,722	16,754
Accruals	4,885	3,626
	19,607	20,380

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

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
1 to 30 days	14,671	16,528
31 to 60 days	–	25
61 to 90 days	25	25
Over 90 days	26	176
	14,722	16,754

20. CONTRACT LIABILITIES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Fitting-out works	11,599	7,262
Renovation works	6,214	4,747
Nano-AM work	551	254
	18,364	12,263

21. AMOUNTS DUE TO DIRECTORS

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Name of director:		
Cheng Tsang Fu, Dennis	10,000	-
Liu Lee Lee, Lily	7,000	-
		-
	17,000	-

The amounts due to directors are unsecured, interest free and are repayable on demand.

22. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Amount due to Advance Goal Group Limited	9,900	11,900

The amount due to ultimate holding company is unsecured, interest free and repayable on demand.

23. BORROWINGS

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Secured bank borrowings classified under current liabilities	12,475	13,000

The secured bank loans at 30 September 2023 are classified as current liabilities as the Company has no unconditional right to defer settlement of any portion of the liabilities for at least twelve months after the end of the reporting period.

At the end of the reporting period, bank facilities granted to the Group amounted to HK\$75,900,000 (31 March 2023: HK\$75,900,000), of which HK\$12,475,000 (31 March 2023: HK\$13,000,000) for bank borrowings and Nil (31 March 2023: approximately HK\$20,599,000) for the guarantees under performance bonds were utilised by the Group at that date. The bank borrowings outstanding at 30 September 2023 carried interest at floating rates of 2.02% to 7.08% per annum (31 March 2023: 2.02% to 7.08% per annum). The bank facilities were secured by:

- (i) pledge of bank deposits amounted to approximately HK\$6,103,000 (31 March 2023: HK\$6,085,000);
- (ii) charge over the Group's life insurance contract with guaranteed cash value of approximately HK\$3,675,000 at 30 September 2023 (31 March 2023: HK\$3,675,000);
- (iii) personal guarantee from three directors of a subsidiary of the Company; and
- (iv) unlimited corporate guarantee provided by the Company.

24. LEASE LIABILITIES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Lease liabilities payable:		
Within one year	2,202	1,827
Within a period of more than one year but not more than two years	1,607	1,804
	3,809	3,631
Less: Amount due for settlement within twelve months included in current liabilities	(2,202)	(1,827)
Amount due for settlement after twelve months shown under non-current liabilities	1,607	1,804

25. SHARE CAPITAL

	<i>Number of shares</i>	<i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2022 (Audited), 31 March 2023 (Audited) and 30 September 2023 (Unaudited)	10,000,000,000	100,000
Issued and fully paid:		
At 1 April 2022 (Audited)	320,000,000	3,200
Issue of shares upon share placement	20,000,000	200
At 31 March 2023 (Audited) and 30 September 2023 (Unaudited)	340,000,000	3,400

26. SURETY BOND AND CONTINGENT LIABILITY

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

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Surety bonds for performance guarantees issued by banks	-	20,599

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 been awarded a total of 10 large-scaled projects (Previous Period: 1 large-scaled project) with an aggregate contract sum of approximately HK\$425.1 million during the Period (Previous Period: HK\$18.0 million) and contributed a revenue of approximately HK\$48.0 million for the Period (Previous Period: Nil).

Nano-AM application services

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

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

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

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



Financial Review

Revenue

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

The following table shows our revenue by operating segment during the six months ended 30 September 2023 and 2022:

	For the six months ended 30 September			
	2023		2022	
	HK\$'000	%	HK\$'000	%
Fitting-out work	117,684	76.7	58,815	56.0
Renovation work	33,809	22.0	44,151	42.0
Nano-AM work	1,999	1.3	2,082	2.0
	153,492	100.0	105,048	100.0

The Group's overall revenue increased from approximately HK\$105.0 million for the Previous Period to approximately HK\$153.5 million for the Period, representing an increase of approximately 46.1%.

The revenue for fitting-out works for the Period was approximately HK\$117.7 million, represented an increase of approximately 100.1% from approximately HK\$58.8 million for the Previous Period. The increase was mainly due to an increase in revenue contributed from several large-scaled fitting-out projects located in Wong Chuk Hang, Jordan, Tai Wo Ping, Mid-levels, and Lantau Island. These large-scaled fitting-out projects were awarded subsequent to the Previous Period and contributed an aggregate revenue of approximately HK\$68.1 million for the Period.

The revenue for renovation works for the Period was approximately HK\$33.8 million, represented a decrease of approximately 23.4% from approximately HK\$44.2 million for the Previous Period. The decrease was mainly due to a substantial portion of the renovation works for several projects located in Mid-level East, Causeway bay, Mid-levels and Repulse Bay were carried in last financial year and as such the aggregate revenue contributed from these projects decreased from approximately HK\$11.9 million for the Previous Period to approximately HK\$0.7 million for the Period.

Cost of Services and Gross Profit

The Group's cost of services increased from approximately HK\$102.0 million for the Previous Period to approximately HK\$147.6 million for the Period, representing an increase of approximately 44.6%. Such increase was generally in line with the increase in revenue for the Period.

The following table shows our gross profit and gross profit margin by operating segment during the six months ended 30 September 2023 and 2022:

	For the six months ended 30 September			
	2023		2022	
	Gross Profit/ (Loss)	Gross Profit Margin	Gross Profit/ (Loss)	Gross Profit Margin
	HK\$'000	%	HK\$'000	%
Fitting-out work	7,861	6.7	2,508	4.3
Renovation work	(2,472)	(7.3)	(425)	(1.0)
Nano-AM work	540	27.0	921	44.2
	5,929	3.9	3,004	2.9

The overall gross profit increased by approximately HK\$2.9 million or 97.3% from approximately HK\$3.0 million for the Previous Period to approximately HK\$5.9 million for the Period, which was primarily attributable to the increase in revenue for the Period as mentioned above.

Other Income

The Group's other income decreased by approximately HK\$1.3 million from approximately HK\$1.4 million for the Previous Period to approximately HK\$0.1 million for the Period. Such decrease was primarily due to a decrease in government subsidies under the Employment Support Scheme of approximately HK\$1.4 million for the Period.

Impairment loss of other receivables and contract assets

No impairment loss of other receivables and contract assets has been provided for the Period. In the Previous Period, impairment loss of other receivables and contract assets amounted to approximately HK\$0.2 million and HK\$2.3 million respectively.

Administrative Expenses

The Group's administrative expenses amounted to approximately HK\$9.0 million and approximately HK\$8.1 million for the six months ended 30 September 2023 and 2022 respectively, representing an increase of approximately 10.9%. Such increase was primarily due to an increase in legal and professional fees by approximately HK\$0.7 million.

Finance Costs

For the six months ended 30 September 2023 and 2022, the Group's finance costs amounted to approximately HK\$366,000 and HK\$257,000 respectively, representing an increase of approximately 42.4%. Such increase was mainly due to an increase in interests on bank borrowings for the Period.

Income Tax Expense

No provision for Hong Kong Profits Tax has been made for the Period as the Group has no assessable profits for the Period.

In the Previous Period, 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.

Loss and Other Comprehensive Expense for the Period

As a result of aforesaid, the Group records a loss and other comprehensive expense of approximately HK\$3.3 million for the Period (Previous Period: HK\$6.6 million).

Dividends

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

Borrowing Facilities

As at 30 September 2023, the Group has obtained credit facilities from banks up to a maximum amount of approximately HK\$75.9 million (31 March 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 HK\$4.0 million (31 March 2023: HK\$4.0 million) and term loan facility of HK\$8.5 million (31 March 2023: HK\$9.0 million) were outstanding. As at 30 September 2023, the total value of guarantees under surety bonds issued in favour of the Group's customers amounted to Nil (31 March 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.

Gearing Ratio

The gearing ratio of the Group as at 30 September 2023 was 15.7% (31 March 2023: 15.7%). The gearing ratio is calculated based on the total bank borrowings at the end of the respective periods divided by total equity at the end of the respective periods and multiplied by 100%.

Liquidity and Financial Resources

The bank balances and cash of the Group as at 30 September 2023 were approximately HK\$19.9 million (31 March 2023: approximately HK\$26.3 million). The Group intends to finance its future operations and capital expenditures with cash flow from operating activities and banking facilities available to the Group. The Group's primary uses of cash have been and are expected to continue to be operating costs and capital expenditure. The Group's cash level is affected mainly by the fluctuation of trade receivables, contract assets, trade payables and contract liabilities. The current ratio of the Group as at 30 September 2023 was comfortably maintained at 1.9 (31 March 2023: 2.3). As at 30 September 2023, the Group's bank balances and cash, except a small aggregate amount of approximately HK\$345,000 (31 March 2023: HK\$344,000) in foreign currencies including Renminbi and United States dollars, were held in Hong Kong dollars.

Capital Structure

As at 30 September 2023, the Company's issued share capital was HK\$3,400,000 (31 March 2023: 3,400,000) and the number of its issued ordinary shares was 340,000,000 (31 March 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 placees at a price of HK\$0.540 per share (the "Placing"). The Company received net proceeds from the Placing, after deducting the placing commission and other related expenses and professional fees, of approximately HK\$10,644,000. The planned use of proceeds was solely for financing the Group's working capital.

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

	Planned amount utilised up to 30 September 2023	Actual utilised amount as at 30 September 2023	Unutilised amount as at 30 September 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Working capital	10,644	5,226	5,418

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 30 September 2023.

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

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Pledge of Assets

As at 30 September 2023, the Group had bank deposits amounted to approximately HK\$6.1 million (31 March 2023: HK\$6.1 million) and investment in a life insurance policy with a fair value of HK\$3.7 million (31 March 2023: 3.7 million) which were pledged to secure banking facilities granted to the Group.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 September 2023 (31 March 2023: Nil).

Capital Commitments

As at 30 September 2023, the Group did not have any capital commitments (31 March 2023: Nil).

Future Plan for Material Investment and Capital Assets

The Group did not have any other plans for material investment and capital assets as at 30 September 2023.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 September 2023.

Employees and Remuneration Policies

As at 30 September 2023, the Group had a total of 68 employees (31 March 2023: 56 employees). Total staff costs amounted to approximately HK\$17.1 million for the Period, as compared to approximately HK\$17.2 million for the Previous Period. The remuneration package offered by the Group to its employees includes basic salary, bonuses and mandatory provident fund. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. The Group conducts annual review on salary raises, bonuses and promotions based on the performance of each employee.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance Code

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

Chairman and Chief Executive Officer

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

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

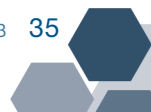
Code of Conduct Regarding Director's Securities Transactions

The Company has adopted a code of conduct regarding 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 with the Directors, all the Directors, saved as disclosed below, confirmed that they have complied with such code of conduct and the required standard regarding securities transactions by directors adopted by the Company throughout the Period and up to the date of this report.

According to Rule 5.56(a)(ii) of the GEM Listing Rules, a director must not deal in any securities of the Company on any day on which its financial results are published and during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

According to Rule 5.61 of the GEM Listing Rules, a director must not deal in any securities of the issuer without first notifying in writing the chairman or a director (otherwise than himself) designated by the board for the specific purpose and receiving a dated written acknowledgement.



An executive director, Ms. Lin Xiaoling (“**Ms. Lin**”), dealt in the securities of the Company on 10 July 2023, during the blackout period for the quarterly results of the company for the three months ended 30 June 2023, and without first notifying the Chairman and receiving a dated written acknowledgement before engaging in the dealing. This was in contravention of Rules 5.56(a)(ii) and 5.61 of the GEM Listing Rules.

The Board has reviewed the facts and concluded that Ms. Lin did not intentionally breach the rules. It is believed that she genuinely overlooked the blackout period notice and forgot to notify the Chairman before dealing in the securities of the Company. The Chairman has reminded all the Directors again to fully comply with the required standards and policy of dealing of securities of the Company in the future.

Ms. Lin has confirmed to the Board that she will closely monitor any notices issued to the Directors of the Company, particularly the blackout period notices, and will confirm receipt of such notices to the Company Secretary. She will also confirm any restrictions on dealing in the Company’s securities with the Company Secretary before proceeding, and will provide written notification and obtain written confirmation from the Chairman before execution.

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

As at 30 September 2023, the interests and short positions of the directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

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

Name	Capacity/Nature of interest	Interests in Shares	Approximate percentage shareholding
Mr. Cheng Tsang Fu Dennis	Interest in controlled corporation ⁽¹⁾ /interest of spouse ⁽²⁾	164,200,000	48.29%
Ms. Liu Lee Lee Lily	Interest in controlled corporation ⁽¹⁾ /interest of spouse ⁽²⁾	164,200,000	48.29%
Mr. Chui Kai Tai	Beneficial owner	12,800,000	3.76%
Prof. Leung Kwok Hi Michael	Beneficial owner	3,200,000	0.94%
Ms. Lin Xiaoling	Beneficial owner	3,050,000	0.90%
Prof. Leung Yiu Cheong	Beneficial owner	2,500,000	0.74%

Notes:

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

Save as disclosed above, as at 30 September 2023, none of the directors nor chief executive of the Company has registered an interest and short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

So far as the Directors are aware, as at 30 September 2023, other than the directors or chief executives of the Company whose interests or short positions are as disclosed under the paragraph headed "Directors' and Chief Executives' Interests and/or Short Positions in shares, Underlying Shares and Debentures of the Company or its Associated Corporations" above, the following person has an interest or short position in the shares or underlying shares of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, and who were expected, directly or indirectly, to be interested in 5% or more of the issued shares of the Company are listed as follows:

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

Name of shareholder	Capacity/Nature of interest	Number of ordinary shares held	Approximate percentage shareholding
Advance Goal ⁽¹⁾	Beneficial owner	164,200,000	48.29%
Mr. Cheng Tsang Wai	Interest in controlled corporation	164,200,000	48.29%
Ms. Chow Siu Shan Juliana ⁽²⁾	Interest of spouse	164,200,000	48.29%
Mr. Chen Yi Sung	Beneficial owner	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 30 September 2023, the Directors were not aware of any other person (other than the Directors or chief executives as disclosed in the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or Its Associated Corporations” above) who had, or deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued shares of the Company.

Directors’ Rights to Acquire Securities or Debenture

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

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

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

Competition of Interests

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

Share Option Scheme

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

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

There was no option outstanding, granted, cancelled, exercised or lapsed as at 30 September 2023.

Pre-emptive Rights

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

Audit Committee

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

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

Hong Kong, 9 November 2023

As at the date of this report, the executive directors of the Company are Mr. Cheng Tsang Fu Dennis, Ms. Liu Lee Lee Lily, Mr. Chui Kai Tai, MH and Ms. Lin Xiaoling; the non-executive directors of the Company are Prof. Leung Yiu Cheong and Prof. Leung Kwok Hi Michael; and the independent non-executive directors of the Company are Mr. Chow Kwok Kee, PMSM, Mr. Xu Zhi Qiang and Mr. Chiu Wai Hon.