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## **DCB Holdings Limited**

### **DCB控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8040)**

## **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2022**

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

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

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

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

## FINANCIAL HIGHLIGHTS

For the three months ended 30 June 2022 (the “**Period**”):

- Revenue of the Group was approximately HK\$55.4 million, representing an increase of approximately 15.8% as compared to that of approximately HK\$47.9 million for the three months ended 30 June 2021 (the “**Previous Period**”).
- Loss and other comprehensive expense for the period increased by 261.0% from approximately HK\$0.7 million for the Previous Period to approximately HK\$2.6 million for the Period.
- The Board does not recommend the payment of an interim dividend for the Period.
- Loss per share of the Company was approximately HK0.82 cents (Previous Period: loss per share of HK0.23 cents).

## FINANCIAL RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated results of the Group for the Period, together with the unaudited comparative figures for the corresponding period in 2021, as follows:

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

	<i>Notes</i>	<b>Three months ended 30 June</b>	
		<b>2022</b>	<b>2021</b>
		<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	4	<b>55,435</b>	47,871
Cost of services		<b>(54,505)</b>	(46,050)
Gross profit		<b>930</b>	1,821
Other income and gains or losses	5	<b>506</b>	811
Administrative expenses		<b>(3,969)</b>	(3,341)
Finance costs	6	<b>(106)</b>	(22)
Loss before tax	7	<b>(2,639)</b>	(731)
Income tax expense	8	<b>—</b>	—
Loss and other comprehensive expense for the period		<b>(2,639)</b>	(731)
Loss and other comprehensive expense for the period attributable to:			
Owners of the Company		<b>(2,636)</b>	(731)
Non-controlling interests		<b>(3)</b>	—
		<b>(2,639)</b>	(731)
Loss per share			
Basic ( <i>HK cents</i> )	10	<b>(0.82)</b>	(0.23)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2022

	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 2021 (Audited)	3,200	48,097	10,010	26,667	87,974	—	87,974
Loss and other comprehensive expense for the period	—	—	—	(731)	(731)	—	(731)
<b>At 30 June 2021 (Unaudited)</b>	<b>3,200</b>	<b>48,097</b>	<b>10,010</b>	<b>25,936</b>	<b>87,243</b>	<b>—</b>	<b>87,243</b>
At 1 April 2022 (Audited)	3,200	48,097	10,010	9,584	70,891	—	70,891
Capital contribution from non-controlling interests	—	—	—	—	—	147	147
Loss and other comprehensive expense for the period	—	—	—	(2,636)	(2,636)	(3)	(2,639)
<b>At 30 June 2022 (Unaudited)</b>	<b>3,200</b>	<b>48,097</b>	<b>10,010</b>	<b>6,948</b>	<b>68,255</b>	<b>144</b>	<b>68,399</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 8 March 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on GEM of the Stock Exchange on 14 February 2018. The Company's registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Group, comprising the Company and its subsidiaries, is located at Room D, 12/F., Lucky Factory Building, 63–65 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

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

The Company is an investment holding company. The Company's principal subsidiary, DCB Company Limited, is principally engaged in the provision of fitting-out and renovation services in the private sector in Hong Kong.

The unaudited condensed consolidated financial statements of the Group for three months ended 30 June 2022 are presented in Hong Kong dollars ("**HK\$**"), which is the same as the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited condensed consolidated financial statements have not been audited by the Company's independent auditor, but have been reviewed by the Company's audit committee and approved for issue by the Board on 1 August 2022.

## 2. BASIS OF PREPARATION

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

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In the application of the Group’s accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the unaudited condensed consolidated financial statements, the significant judgments made by the Company’s management in applying the Group’s accounting policies and the key sources of estimation uncertainty are the same as those that applied to the Group’s audited consolidated financial statements for the year ended 31 March 2022. The adoption of the new and amendments to HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for the current and prior periods.

### 3. SEGMENT INFORMATION

The Group’s reportable and operating segments under HKFRS 8 “Operating Segments” 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.

No geographical information is presented as the Group’s revenue are all derived from operations in Hong Kong.

### 4. REVENUE

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

	<b>Three months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$’000</b>	<b>HK\$’000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>		
Fitting-out work	<b>33,383</b>	35,743
Renovation work	<b>21,082</b>	12,128
Others	<b>970</b>	—
	<hr/>	<hr/>
Total	<b><u>55,435</u></b>	<b><u>47,871</u></b>

## 5. OTHER INCOME AND GAINS OR LOSSES

	Three months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
<b>Other income</b>		
Bank interest income	2	4
Consultancy fee income	—	787
Government subsidies under the Employment Support Scheme (Note (i))	500	—
Sundry income	—	21
Other interest income	4	4
<b>Other gains or losses</b>		
Net exchange loss	—	(5)
	<u>506</u>	<u>811</u>

Note:

- (i) Government subsidies amounted to HK\$500,000 (Previous Period: Nil) were received by a subsidiary from the Employment Support Scheme under the Anti-Epidemic Fund in Hong Kong. There were no unfulfilled conditions or contingencies relating to these subsidies.

## 6. FINANCE COSTS

	Three months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest on bank borrowings	61	—
Interest on lease liabilities	45	22
	<u>106</u>	<u>22</u>

## 7. LOSS BEFORE TAX

	Three months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss before tax has been arrived at after charging:		
Directors' emolument		
Fees	18	54
Salaries, allowances and other benefits	1,016	1,313
Retirement benefit scheme contributions	9	9
	<u>1,043</u>	<u>1,376</u>
Other staff costs		
Salaries, allowances and other benefits	7,438	6,381
Retirement benefit scheme contributions	237	220
	<u>7,675</u>	<u>6,601</u>
Total staff costs	8,718	7,977
Less: amounts included in cost of services	<u>(6,386)</u>	<u>(5,830)</u>
Amounts included in administrative expenses	<u>2,332</u>	<u>2,147</u>
Auditors' remuneration	125	125
Depreciation of plant and equipment	116	50
Depreciation of right-of-use assets	673	562

## 8. INCOME TAX EXPENSE

	Three months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax	<u>—</u>	<u>—</u>

No provision for Hong Kong Profits Tax has been made since the Company has no assessable profits for the Period (Previous Period: nil).



## 9. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2022 (three months ended 30 June 2021: 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:

	<b>Three months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Loss for the purpose of basic loss per share		
Loss for the period attributable to the owners of the Company	<b><u>(2,636)</u></b>	<b><u>(731)</u></b>
	<b>Three months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<b><u>320,000</u></b>	<b><u>320,000</u></b>

No diluted earnings per share are presented as there were no potential ordinary shares in issue during the Period and in the Previous Period.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND OUTLOOK**

The Group is principally engaged in the provision of fitting-out and renovation services in the private sector in Hong Kong. The Group's clientele 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.

During the Period, the Group has not been awarded any projects with contract sum over HK\$10 million. In the Previous Period, the Group had been awarded four projects with contract sum over HK\$10 million, which comprised one fitting-out project and three renovation projects with a total contract sum of approximately HK\$140.8 million and contributed a revenue of approximately HK\$10.3 million for the Previous Period.

Looking forward, 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.

Meanwhile, the Board believes that sustainable development is vital to our earth. The Group has completed several fitting-out and renovation projects designed with ESG concept. In future, the Group will continue to seek new business opportunities which aim to energy-saving and carbon neutrality.

During the Period, the Group has obtained an exclusive license for sales of a nano-photocatalytic antifouling material (the “**Nano-AM**”) that is an eco-friendly material effectively preventing unwanted growth of microorganisms onto the coated surfaces, currently being used as a surface disinfecting material and protective paint on building materials, boats and yachts. The Board believes that the Nano-AM can have useful applications in 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.

## **FINANCIAL REVIEW**

### ***Revenue***

The Group’s overall revenue increased from approximately HK\$47.9 million for the Previous Period to approximately HK\$55.4 million for the Period, representing an increase of approximately 15.8%.

The revenue for fitting-out works for the Period was approximately HK\$33.4 million, represented a decrease of approximately 6.6% from approximately HK\$35.8 million for the Previous Period. The decrease was mainly due to a substantial portion of the fitting-out works for several large-scaled projects located in Deep Water Bay, Mid-levels East and Jardine’s Lockout were carried in last financial year and as such the aggregate revenue contributed from these large-scaled projects decreased from approximately HK\$19.1 million for the Previous Period to approximately HK\$1.0 million for the Period and partially offset by an increase in revenue from several large-scaled projects in Yuen Long, Tuen Mun and Mid-levels West, awarded in the last quarter of last financial year, and contributed approximately HK\$13.0 million for the revenue of the Period.

The revenue for renovation works for the Period was approximately HK\$21.1 million, represented an increase of approximately 73.8% from approximately HK\$12.1 million for the Previous Period. The increase was mainly due to a large-scaled renovation project located in Causeway Bay awarded after the Previous Period which contributed an aggregate revenue of approximately HK\$10.0 million for the Period.

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

The Group’s cost of services increased from approximately HK\$46.1 million for the Previous Period to approximately HK\$54.5 million for the Period, representing an increase of approximately 18.4%. Such increase was generally in line with the increase in revenue for the Period.

### ***Gross Profit***

The Group's gross profit amounted to approximately HK\$0.9 million and HK\$1.8 million for the three months ended 30 June 2022 and 2021 respectively, representing a decrease of approximately 48.9%. Such decrease is mainly due to lower profit margin for certain projects undertaken during the Period.

### ***Other Income and Gain or Losses***

The Group's other income and gains or losses decreased by approximately HK\$0.3 million from approximately HK\$0.8 million for the Previous Period to approximately HK\$0.5 million for the Period. Such decrease was primarily due to a decrease in consultancy fee income of approximately HK\$0.8 million for the Period and partially off set by an increase in government subsidies under the Employment Support Scheme of approximately HK\$0.5 million for the Period.

### ***Administrative Expenses***

The Group's administrative expenses amounted to approximately HK\$4.0 million and HK\$3.3 million for the three months ended 30 June 2022 and 2021 respectively, representing an increase of approximately 18.8%. Such increase was primarily due to an increase in legal and professional fees, depreciation of plant and equipment, office expenses and staff costs for the Period.

### ***Finance Cost***

For the three months ended 30 June 2022 and 2021, the Group's finance cost amounted to approximately HK\$106,000 and HK\$22,000 respectively, representing an increase of approximately 381.8%. Such increase was mainly due to an increase in bank borrowings during the Period.

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

No provision for Hong Kong Profits Tax for the Period has been made as the Group has no assessable profits for the Period (Previous Period: nil).

### ***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\$2.6 million for the Period (Previous Period: HK\$0.7 million).

## ***Dividend***

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2022 (three months ended 30 June 2021: nil).

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2022, the Group had bank balances and cash of approximately HK\$15.6 million (31 March 2022: HK\$10.4 million). The Group intends to finance its future operations and capital expenditures primarily with cash flow from operating activities. The Group's primary uses of cash have been and are expected to continue to be operating costs and capital expenditure. As at 30 June 2022, the Group's bank balances and cash, except a small aggregate amount of approximately HK\$343,000 (31 March 2022: HK\$343,000) in foreign currencies including Renminbi, United States dollars and Euro dollars, were held in Hong Kong dollars. The current ratio decreased from approximately 2.3 time as at 31 March 2022 to approximately 1.9 time as at 30 June 2022. The gearing ratio, calculated based on the total borrowings divided by total equity at the end of the year and multiplied by 100%, increased from approximately 14.1% as at 31 March 2022 to approximately 23.4% as at 30 June 2022. The decrease in current ratio and the increase in gearing ratio are mainly due to an increase in bank borrowings to facilitate short-term liquidity. With available bank balances and cash and bank credit facilities, the Group has sufficient liquidity to satisfy its funding requirements.

## **TREASURY POLICY**

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

## **CAPITAL STRUCTURE**

The shares of the Company (the "Share") were listed on GEM of the Stock Exchange on 14 February 2018. The share capital of the Company only comprises of ordinary shares.

## **CAPITAL COMMITMENT**

As at 30 June 2022 and 2021, the Group did not have any capital commitment.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2022, the Group had a total of 62 employees (31 March 2022: 63 employees). Total staff costs amounted to approximately HK\$8.7 million for the Period, as compared to approximately HK\$8.0 million for the Previous Period. The remuneration package offered by the Group to its employees includes basic salary, bonuses and mandatory provident fund. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. The Group conducts annual review on salary raises, bonuses and promotions based on the performance of each employee.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **Corporate Governance Code**

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

### **Chairman and Chief Executive Officer**

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

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

### **Code of Conduct Regarding Director's Securities Transactions**

The Company has adopted a code of conduct regarding Director's securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having been made a specific enquiry by the Company, all Directors confirmed that they had complied with such code of conduct and the required standard of dealings regarding securities transactions by directors adopted by the Company throughout the Period and up to the date of this announcement.

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

As at 30 June 2022, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

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

<b>Name</b>	<b>Capacity/Nature of interest</b>	<b>Interests in Shares</b>	<b>Approximate percentage shareholding</b>
Mr. Cheng Tsang Fu Dennis	Interest in controlled corporation <sup>(1)</sup> / interest of spouse <sup>(2)</sup>	164,200,000	51.31%
Ms. Liu Lee Lee Lily	Interest in controlled corporation <sup>(1)</sup> / interest of spouse <sup>(2)</sup>	164,200,000	51.31%
Mr. Chui Kai Tai	Beneficial owner	12,800,000	4.00%
Prof. Leung Kwok Hi Michael	Beneficial owner	3,200,000	1.00%
Ms. Lin Xiaoling	Beneficial owner	3,200,000	1.00%
Prof. Leung Yiu Cheong	Beneficial owner	2,500,000	0.78%
Mr. Chow Kwok Kee	Interest of spouse	80,000	0.03%

*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 June 2022, none of the Directors nor chief executive of the Company has registered an interests and short positions 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 June 2022, other than the Directors or chief executives of the Company whose interests or short positions are disclosed under the paragraph headed "Directors' and Chief Executives' Interests and/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:

Name of shareholder	Capacity/Nature of interest	Number of ordinary shares held	Approximate percentage shareholding
Advance Goal <sup>(1)</sup>	Beneficial owner Interest in controlled corporation	164,200,000	51.31%
Mr. Cheng Tsang Wai		164,200,000	51.31%
Ms. Chow Siu Shan Juliana <sup>(2)</sup>	Interest of spouse	164,200,000	51.31%
Mr. Chen Yi Sung	Beneficial owner	19,200,000	6.00%

### Notes:

- 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.
- 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 June 2022, the Directors were not aware of any other person (other than the Directors or chief executives as disclosed in the paragraph headed "Directors' and Chief Executives' Interests and/or Short Positions in 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, redeemed or sold any of the Company's listed securities during the Period.

## **COMPETING 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.

## **Pre-Emptive Rights**

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

## **Audit Committee**

The Company has set up an audit committee (the “**Committee**”) on 19 January 2018 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and the CG Code. The primary duties of the Committee are mainly to make recommendations to the Board on the appointment and removal of external auditor; review the financial statements and material advice in respect of financial reporting; and oversee risk management and internal control procedures of the Company. The Committee comprises the three independent non-executive Directors, namely Mr. Cheung Kwok Keung, who is the chairman of the Committee, Mr. Chow Kwok Kee and Ms. Lin Xiaoling. 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  
**DCB Holdings Limited**  
**Cheng Tsang Fu Dennis**  
*Chairman and Chief Executive Officer*

Hong Kong, 1 August 2022

*As at the date of this announcement, the executive directors of the Company are Mr. Cheng Tsang Fu Dennis, Ms. Liu Lee Lily and Mr. Chui Kai Tai; 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. Cheung Kwok Keung, Mr. Chow Kwok Kee and Ms. Lin Xiaoling.*

*This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its posting and on the website of the Company at [www.dcb.com.hk](http://www.dcb.com.hk).*