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**Yield Go Holdings Ltd.**  
**耀高控股有限公司**

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

**(Stock Code: 1796)**

**ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED  
31 MARCH 2022**

**FINANCIAL HIGHLIGHTS**

- Revenue of the Group for the Review Year amounted to approximately HK\$232.2 million (FY2021: approximately HK\$278.2 million).
- Gross profit margin of the Group for the Review Year was at approximately 4.3% (FY2021: gross loss margin of the Group of approximately 10.1%).
- Loss before income tax of the Group for the Review Year was approximately HK\$4.0 million (FY2021: approximately HK\$32.6 million).
- Loss and total comprehensive expense attributable to equity holders of the Company for the Review Year was approximately HK\$4.0 million (FY2021: approximately HK\$32.5 million).
- Basic and diluted loss per share attributable to equity holders of the Company for the Review Year was approximately HK0.84 cents (FY2021: approximately HK6.77 cents).
- The Board has resolved not to declare any dividend for the Review Year (FY2021: nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Yield Go Holdings Ltd. (the “**Company**”) is pleased to present the consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2022 (the “**Review Year**”), together with the comparative figures for the corresponding year ended 31 March 2021 (the “**FY2021**”).

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

For the year ended 31 March 2022

	<i>Notes</i>	For the year ended 31 March	
		2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Revenue</b>	4	<b>232,203</b>	278,182
Direct costs		<u>(222,313)</u>	<u>(306,323)</u>
<b>Gross profit/(loss)</b>		<b>9,890</b>	(28,141)
Other gains	5	<b>158</b>	11,836
Administrative and other operating expenses		<b>(12,642)</b>	(14,546)
Finance costs	6	<u><b>(1,432)</b></u>	<u>(1,703)</u>
<b>Loss before income tax</b>	7	<b>(4,026)</b>	(32,554)
Income tax credit	8	<u><b>6</b></u>	<u>39</u>
<b>Loss and total comprehensive expense for the year attributable to equity holders of the Company</b>		<u><b>(4,020)</b></u>	<u>(32,515)</u>
<b>Loss per share attributable to equity holders of the Company</b>		<i>HK cents</i>	<i>HK cents</i>
– Basic and diluted	10	<u><b>(0.84)</b></u>	<u>(6.77)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

		As at 31 March	
	Notes	2022	2021
		HK\$'000	HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		386	584
Right-of-use assets		912	1,751
Deferred tax assets		–	4
		<u>1,298</u>	<u>2,339</u>
<b>Current assets</b>			
Trade and other receivables	11	30,208	26,994
Contract assets		155,667	154,556
Cash and bank balances		17,616	23,548
Restricted cash	12	3,046	3,046
Tax recoverable		11	66
		<u>206,548</u>	<u>208,210</u>
<b>Current liabilities</b>			
Trade and other payables	13	29,823	26,191
Contract liabilities		485	498
Bank borrowings		43,471	43,485
Amount due to a director		1,285	2,750
Lease liabilities		893	918
		<u>75,957</u>	<u>73,842</u>
<b>Net current assets</b>		<u>130,591</u>	<u>134,368</u>
<b>Total assets less current liabilities</b>		<b>131,889</b>	<b>136,707</b>
<b>Non-current liability</b>			
Lease liabilities		<u>44</u>	<u>842</u>
<b>Net assets</b>		<u><b>131,845</b></u>	<u><b>135,865</b></u>
<b>CAPITAL AND RESERVES</b>			
Share capital	14	4,800	4,800
Reserves		<u>127,045</u>	<u>131,065</u>
<b>Total equity</b>		<u><b>131,845</b></u>	<u><b>135,865</b></u>

## NOTES

### 1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing**”) with effect from 31 December 2018. The addresses of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is Unit 3, 32/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in fitting-out services and supply of fitting-out materials.

As at 31 March 2022, to the best knowledge of the directors, the Company’s immediate and ultimate holding company is Hoi Lang Holdings Ltd. (“**Hoi Lang**”), a company incorporated in the British Virgin Islands (the “**BVI**”) and owned by Mr. Man Hoi Yuen (“**Mr. Man**”), Ms. Ng Yuen Chun (“**Mrs. Man**”), spouse of Mr. Man, and Mr. Ho Chi Hong (“**Mr. Ho**”).

The consolidated financial statements for the year ended 31 March 2022 were approved for issue by the Board of Directors on 29 June 2022.

### 2. BASIS OF PREPARATION

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

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRSs and the impacts on the Group’s financial statements, if any, are disclosed in note 3.

The consolidated financial statements have been prepared on the historical cost basis.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands (“**HK\$’000**”), except when otherwise indicated.

### 3. ADOPTION OF NEW AND AMENDED HKFRSs

#### 3.1 Amended HKFRSs that are effective for annual period beginning on 1 April 2021

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2021:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The adoption of the amended HKFRSs had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

#### 3.2 Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 17	Insurance Contracts and related amendments <sup>2</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>4</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>2</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>2</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>2</sup>
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>1</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>3</sup> Effective date not yet determined

<sup>4</sup> Effective for business combination for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2022

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. These new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

#### 4. REVENUE

The Group's principal activities are disclosed in note 1 of the consolidated financial statements. Revenue recognised during the years ended 31 March 2022 and 2021 are as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue from contracts with customers		
<b>By timing of revenue recognition:</b>		
Control transferred over time	221,539	278,182
Control transferred at a point in time	<u>10,664</u>	<u>–</u>
	<u><b>232,203</b></u>	<u>278,182</u>
<b>By type of services:</b>		
Fitting-out services	221,539	278,182
Supply of fitting-out materials	<u>10,664</u>	<u>–</u>
	<u><b>232,203</b></u>	<u>278,182</u>

The chief operating decision-maker (the “CODM”) has been identified as the board of directors of the Company. The board of directors regards the Group's fitting-out services and supply of fitting-out materials business as a single operating segment and regularly reviews the operating results of the Group as a whole when making decisions about resources to be allocated and assessing its performance. Also, the Group only engages its business in Hong Kong. Therefore, all revenue of the Group is derived from operations carried out in Hong Kong and all non-current assets of the Group are located in Hong Kong. Accordingly, no segment information is presented.

##### *Information about major customers*

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Customer A <sup>1</sup>	199,647	183,572
Customer B <sup>1</sup>	24,354	47,013
Customer C	<u>N/A<sup>2</sup></u>	<u>33,836</u>

<sup>1</sup> The customer represents a collection of companies within a group.

<sup>2</sup> The corresponding revenue did not contribute over 10% of total revenue of the Group.

### *Transaction price allocated to the remaining performance obligations*

The following table includes revenue expected to be recognised in the future related to performance obligations that were unsatisfied (or partially unsatisfied) as at 31 March 2022 and 2021.

	<b>2022</b> <b>HK\$'000</b>
<b>Remaining performance obligations expected to be satisfied during the year ending:</b>	
31 March 2023	<b>162,647</b>
	<hr/>
	2021
	HK\$'000
<b>Remaining performance obligations expected to be satisfied during the year ending:</b>	
31 March 2022	209,357
31 March 2023	16,258
	<hr/>
	225,615
	<hr/>

### **5. OTHER GAINS**

	<b>2022</b> <b>HK\$'000</b>	2021 <b>HK\$'000</b>
Bank interest income	<b>1</b>	1
Government grant ( <i>note</i> )	–	11,565
Foreign exchange gains	<b>15</b>	50
Reversal of provision for expected credit losses (“ECL”) allowance on trade and other receivables – net	–	209
Reversal of provision for ECL allowance on contract assets – net	<b>10</b>	–
Sundry income	<b>132</b>	11
	<hr/>	<hr/>
	<b>158</b>	11,836
	<hr/>	<hr/>

*Note:* During the year ended 31 March 2021, the Group recognised subsidies of approximately HK\$11,565,000 in relation to Employment Support Scheme for Regular Employees and Construction Sector (Casual Employees) under Anti-epidemic Fund provided by the Hong Kong government as part of the relief measures on COVID-19 pandemic.

## 6. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on bank borrowings	1,367	1,652
Finance charges on lease liabilities	65	51
	<u>1,432</u>	<u>1,703</u>

## 7. LOSS BEFORE INCOME TAX

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss before income tax is arrived at after (crediting)/charging:		
<b>(a) Staff costs (including directors' remuneration) (note (i))</b>		
Salaries, wages and other benefits (note (ii))	19,430	27,305
Contributions to defined contribution retirement plans	752	1,073
	<u>20,182</u>	<u>28,378</u>
<b>(b) Other items</b>		
Depreciation, included in:		
Direct costs		
– Owned assets	29	29
Administrative expenses		
– Owned assets	169	1,042
– Right-of-use assets	940	1,470
	<u>1,138</u>	<u>2,541</u>
Subcontracting charges (included in direct costs)	160,126	212,098
Cost of materials and finished goods	46,774	69,625
Auditors' remuneration	800	800
Short term lease with lease term less than 12 months in respect of machinery and equipment	–	84
Written off of retention receivable	307	–
Provision/(Reversal) for ECL allowance on trade and other receivables – net	7	(209)
(Reversal)/Provision for ECL allowance on contract assets – net	<u>(10)</u>	<u>19</u>

Notes:

(i) Staff costs (including directors' remuneration) included in:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Direct costs	13,761	21,736
Administrative expenses	<u>6,421</u>	<u>6,642</u>
	<u><u>20,182</u></u>	<u><u>28,378</u></u>

(ii) During the year ended 31 March 2022, one director's quarter has been recognised as lease liability and corresponding right-of-use asset. The depreciation and lease payments in respect of the relevant right-of-use asset and lease liability amounted to approximately HK\$426,000 and HK\$448,000 (2021: HK\$444,000 and HK\$465,000), respectively.

## 8. INCOME TAX CREDIT

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current Tax		
– Hong Kong profits tax		
Current year	–	12
Over provision in respect of prior year	<u>(10)</u>	<u>(82)</u>
	(10)	(70)
Deferred Tax	<u>4</u>	<u>31</u>
Income tax credit	<u><u>(6)</u></u>	<u><u>(39)</u></u>

No provision for the Hong Kong profits tax has been made for the year ended 31 March 2022 as the Group incurred loss for tax purpose for the year (2021: HK\$12,000).

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in or derived from Hong Kong for the years ended 31 March 2022 and 2021, except that the Group's qualified entity is calculated in accordance with the two-tiered profit tax rates regime and the profits tax of other group entities in Hong Kong which are not qualified for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%.

For the year ended 31 March 2021, Hong Kong profits tax of Hoi Sing Construction (H.K) Limited (“**Hoi Sing Construction**”), a subsidiary of the Company, was calculated in accordance with the two-tiered profits tax rates regime. Profits tax of other group entities continue to be taxed at the flat rate of 16.5%.

## 9. DIVIDEND

The Board did not recommend the payment of dividend for the year ended 31 March 2022 (2021: nil).

## 10. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2022	2021
Loss attributable to equity holders of the Company ( <i>HK\$'000</i> )	4,020	32,515
Weighted average number of ordinary shares in issue ( <i>in thousands</i> )	<u>480,000</u>	<u>480,000</u>
Basic loss per share ( <i>HK cents</i> )	<u><u>0.84</u></u>	<u><u>6.77</u></u>

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares in issue during the years ended 31 March 2022 and 2021.

## 11. TRADE AND OTHER RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	13,199	12,063
Less: ECL allowance	<u>(1)</u>	<u>(1)</u>
Trade receivables – net ( <i>note (a)</i> )	13,198	12,062
Retention receivables ( <i>note (b)</i> )	14,066	13,211
Other receivables, deposits and prepayments ( <i>note (c)</i> )	<u>2,944</u>	<u>1,721</u>
	<u><u>30,208</u></u>	<u><u>26,994</u></u>

*Notes:*

### (a) Trade receivables – net

The credit period granted to customers are 30 days generally. The ageing analysis of the trade receivables based on invoice date is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0–30 days	13,186	11,979
31–60 days	–	–
61–90 days	12	–
Over 90 days	<u>–</u>	<u>83</u>
	<u><u>13,198</u></u>	<u><u>12,062</u></u>

During the year ended 31 March 2022, no additional ECL allowance (2021: reversal of ECL allowance of approximately HK\$36,000) were made against the gross amount of trade receivables.

**(b) Retention receivables**

Retention receivables were not past due as at 31 March 2022, and were due for settlement in accordance with the terms of respective contract (2021: nil).

The Group generally allows 5% to 10% of total contract price of its contracts as retention, which are unsecured, interest-free and recoverable at the completion of the defects liability period of individual contracts which range from 16 months to 18 months from the date of the completion of the respective contract.

The due date for settlement of the Group's retention receivables based on the completion of defects liability period as at 31 March 2022 and 2021 as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Due within one year	<u>14,066</u>	<u>13,211</u>

During the year ended 31 March 2022, reversal of ECL allowance of approximately HK\$9,000 (2021: approximately HK\$99,000) were made.

**(c) Other receivables, deposits and prepayments**

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Other receivables	1,225	700
Deposits	182	186
Prepayments	<u>1,560</u>	<u>842</u>
	2,967	1,728
Less: ECL allowance	<u>(23)</u>	<u>(7)</u>
Balance at 31 March	<u>2,944</u>	<u>1,721</u>

During the year ended 31 March 2022, additional of ECL allowance of approximately HK\$16,000 (2021: reversal of ECL allowance of approximately HK\$74,000) were made.

**12. RESTRICTED CASH**

Restricted cash represents deposits held at an insurance company for faithful performance in accordance with the terms of the contract between the Group and the customer.

### 13. TRADE AND OTHER PAYABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade payables ( <i>note (a)</i> )	19,606	20,650
Accruals and other payables ( <i>note (b)</i> )	10,217	5,541
	<u>29,823</u>	<u>26,191</u>

*Notes:*

- (a) Payment terms granted by suppliers of materials and subcontractors are ranging from 0 to 30 days generally.

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0–30 days	14,643	11,309
31–60 days	1,802	1,711
61–90 days	1,270	4,188
Over 90 days	1,891	3,442
	<u>19,606</u>	<u>20,650</u>

- (b) Accruals and other payables mainly comprise (i) accrued salaries of approximately HK\$1,628,000 (2021: HK\$1,854,000); (ii) accrued refund in relation to Employment Support Scheme for Construction Sector (Casual Employees) under Anti-epidemic Fund of approximately HK\$2,622,000 (2021: HK\$2,704,000); (iii) advance from subcontractors of approximately HK\$4,759,000 (2021: nil); and (iv) accrued professional fees of approximately HK\$837,000 (2021: HK\$789,000).

### 14. SHARE CAPITAL

	Number of ordinary shares	Share capital <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
<b>Authorised:</b>		
At 31 March 2021 and 2022	<u>1,000,000,000</u>	<u>10,000</u>
<b>Issued and fully paid:</b>		
At 31 March 2021 and 2022	<u>480,000,000</u>	<u>4,800</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Overview

In 2021, the world finally saw the much-needed recovery from the COVID-19 pandemic, as the major economies achieved significant GDP growth and eased the restrictions on business operations. The world output grew 6.1% in 2021, with both the US and Euro area GDP expanding well above 5%, reversing the contractions they suffered in the previous year. China continued to lead the path of recovery by registering an impressive GDP growth rate of 8.1% in 2021. However, the economic recovery was fragile and uneven. Many less wealthy countries are still caught in the turbulence of challenges brought by the COVID-19 pandemic, and warning signs of inflation started to compromise the economic healing process for even the wealthiest regions.

In Hong Kong, though COVID-19 outbreaks remained relatively mild and business restrictions were manageable compared to many other regions, the first two years after the pandemic hit were still extremely tough. So much disturbance has already been caused to Hong Kong's overall economy and the business environment of the various industries that the GDP expansion of 6.4% recorded in 2021 did not seem to bring the city back to its pre-COVID dynamics. Its economy size is indeed still about 2% below what it was in 2018.

Even before the social unrest in 2019 and without the disturbance from the COVID-19 pandemic, Hong Kong's construction industry had been facing challenges in rising labour costs, lack of experienced workers, intensifying competition, and unstable material prices. Two years of the pandemic had resulted in even less sizable projects available in the market, even higher operating costs due to the repeated disturbance of work schedules, and an even less stable supply of materials. According to an economic letter issued in January 2022 by the Office of the Government Economist, the COVID-19 pandemic is estimated to have caused Hong Kong's construction industry to lose around 22.5% of its business, which is slightly worse than the losses estimated for 2020. As more warning signs hinder the confidence of the city's business operators and homeowners, the fitting-out market had another struggling year.

### Business Review

The Group is an established fitting-out contractor in Hong Kong, with over 26 years of experience since the establishment of one of our principal operating subsidiaries, Hoi Sing Decoration Engineering Company Limited ("**Hoi Sing Decoration**") in 1995. The Group's fitting-out services include both (i) fitting-out works conducted on new buildings; and (ii) interior renovation works on existing buildings that involve upgrades, makeovers and demolition of existing works. Hoi Sing Decoration and Milieu Wooden Company Limited, an indirect wholly-owned subsidiary of the Company, are registered under the voluntary Subcontractor Registration Scheme of the Construction Industry Council. Their services are mainly offered to residential and commercial properties in Hong Kong on a project basis.

The Group's sources of revenue are grouped into two categories: residential and non-residential fitting-out services. During the Review Year, the Group's revenue decreased by approximately HK\$46.0 million or 16.5% to approximately HK\$232.2 million (FY2021: approximately HK\$278.2 million). Such decrease was primarily attributable to (i) the decrease in the number of large-sized projects undertaken; and (ii) the adoption of a more competitive project pricing strategy by the Group in order to secure new projects (notwithstanding a relatively low gross profit margin) during the Review year in response to the intense market competition.

## **Outlook**

Though Hong Kong has reached its goal of COVID-19 vaccination rate, the latest variant of the virus is dodging the protection incurred by the injections. The city's leading healthcare teams are warning the public of the high likelihood of the sixth wave of COVID-19 outbreaks and the anti-epidemic precautions are expected to be tightened when it occurs. Under such an environment, the business sentiment in the city continues to struggle.

Global wise, the war in Ukraine has triggered a costly crisis, resulting in economic damage, rapidly rising food and fuel prices, and elevated inflation that is hurting all economies. In its April 2022 issue of World Economic Outlook, the International Monetary Fund projected the global growth to slow from 6.1% in 2021 to 3.6% in 2022, which is 0.8 percentage points lower than its previous projection made in January. The US responded to the inflationary pressures with a new rise in federal benchmark interest rates, causing Hong Kong to announce in May 2022 that its base rate would be increased according to the pre-set formula, potentially adding more difficulties to local businesses.

With the unpredictable domestic and global economic outlook, the warning elevation of inflation, as well as rising chances of more logistic disturbance, Hong Kong's financial and business environment is expected to stay challenging in the near future. The construction and fitting-out industry, relying largely on on-site works, stays the most vulnerable to the development of the COVID-19 pandemic. We believe the Group shall be operating in a challenging environment in the coming two years. Thus, we shall stay highly cautious and prudent in managing our day-to-day operations. Yet we will monitor the market conditions closely, and stay prepared for grasping the potential opportunities when the COVID-19 pandemic eventually ends and the economic environment resumes.

## **Financial Review**

### ***Revenue***

During the Review Year, the Group's revenue decreased by approximately HK\$46.0 million or 16.5% to approximately HK\$232.2 million (FY2021: approximately HK\$278.2 million). Such decrease was primarily due to (i) the decrease in the number of large-sized projects undertaken; and (ii) the adoption of a more competitive project pricing strategy by the Group in order to secure new projects (notwithstanding a relatively low gross profit margin) during the Review year in response to the intense market competition.

### ***Gross profit/(loss) and gross profit/(loss) margin***

During the Review Year, the Group's gross loss decreased by approximately HK\$38.0 million to a gross profit of approximately HK\$9.9 million (FY2021: gross loss of the Group of approximately HK\$28.1 million). The turnaround in gross profit and gross profit margin was attributable to (i) the improvement in the overall construction costs control under the current fierce industry competition during the Review Year; and (ii) gross loss recorded from a project undertaken by the Group at Tuen Mun during FY2021 due to unexpected additional costs incurred.

### ***Other gains***

During the Review Year, the Group recorded other gains of approximately HK\$158,000 (FY2021: approximately HK\$11.8 million). Such decrease was primarily due to the subsidies from government grant in relation to the Employment Support Scheme for Regular Employees and Construction Sector (Casual Employees) under Anti-epidemic Fund of approximately HK\$11.6 million during FY2021.

### ***Administrative and other operating expenses***

During the Review Year, the Group's administrative and other operating expenses decreased by approximately HK\$1.9 million or 13.1% to approximately HK\$12.6 million (FY2021: approximately HK\$14.5 million). Such decrease was primarily due to the decrease in depreciation, staff cost and professional fees incurred during the Review Year.

### ***Finance costs***

During the Review Year, the Group's finance costs decreased by approximately HK\$0.3 million or 17.6% to approximately HK\$1.4 million (FY2021: approximately HK\$1.7 million). Such decrease was primarily due to the decrease in average interest rate of the renewed bank borrowings during the Review Year.

### ***Income tax credit***

During the Review Year, the Group's income tax credit decreased by approximately HK\$33,000 to approximately HK\$6,000 (FY2021: approximately HK\$39,000). Such decrease was primarily due to the decrease in gross loss during the Review Year as discussed above.

### ***Net loss***

During the Review Year, loss and total comprehensive expense attributable to equity holders of the Company decreased by approximately HK\$28.5 million to approximately HK\$4.0 million (FY2021: approximately HK\$32.5 million). Such decrease was primarily due to the improvement in cost control during the Review Year as discussed above.

## **Liquidity, Financial Resources and Capital Structure**

During the Review Year, there was no change in capital structure of the Group. The capital of the Company comprises only ordinary shares. As at 31 March 2022, the Company's issued capital was HK\$4.8 million and the number of issued ordinary shares of the Company (the "Shares") was 480,000,000 Shares of HK\$0.01 each.

As at 31 March 2022, the Group had total cash and bank balances and restricted cash of approximately HK\$20.7 million (FY2021: approximately HK\$26.6 million). Such decrease was due to the net effect of net cash generated from investing activity and net cash used in operating and financing activities of approximately HK\$5.9 million.

The Group's gearing ratio, calculated as total borrowings (including total interest-bearing liabilities and amount due to a director) divided by the total equity, decreased from approximately 35.3% as at 31 March 2021 to approximately 34.7% as at 31 March 2022. The decrease was primarily due to decrease in an amount due to a director as at 31 March 2022.

### **Treasury Policy**

The Group has adopted a prudent financial management approach towards its treasury policy. 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 all the time.

### **Principal Risks and Uncertainties**

Our Directors are aware that our Group is exposed to various risks and uncertainties. The following are the key risks and uncertainties faced by our Group:

#### ***Industry Risks***

Some of our competitors may have more resources, longer operating histories, stronger relationships with customers and reputable brand names and therefore we may face competition from other existing and/or new contractors in the tender process for fitting-out projects. Due to the large number of competitors, we may face significant downward pricing pressure thereby reducing our profit margins. If we cannot adapt effectively to market conditions and customer preferences or otherwise fail to provide a competitive bid as compared to our competitors, our services may not be attractive to customers and our business may be materially and adversely affected. Our competitors may also adopt aggressive pricing policies or develop relationships with our customers in a manner that could significantly harm our ability to secure contracts. If we fail to maintain our competitiveness in the future, our business, financial condition and results of operation may be materially and adversely affected.

### ***Compliance Risks***

Many aspects of our business operation are governed by various laws and regulations and government policies. There is no assurance that we will be able to respond to any such changes in a timely manner. Such changes may also increase our costs and burden in complying with them, which may materially and adversely affect our business, financial condition and results of operation. If there are any changes to and/or imposition of the requirements for qualification in the fitting-out industry in relation to environmental protection and labour safety, and we fail to meet the new requirements in a timely manner or at all, our business operation will be materially and adversely affected. Our executive Directors would hold regular meetings to ensure our Group's operations are in compliance with all applicable statutory requirements.

### ***Uncertainties in Work Progress***

We rely on the due and timely performance of our subcontractors for the timely delivery of our works. If our subcontractors' performance is not up to standard, we may not be able to rectify the substandard work or engage another subcontractor in time or at all. We may also not be able to replace materials of inferior quality procured by our subcontractors in time or at all or unless at extra costs. Any material non-performance, delayed performance or substandard performance of our subcontractors could result in deterioration of our service quality or unexpected delays in our scheduled completion time or even our ability to complete our projects, which could in turn damage our reputation, and potentially expose us to liability under the main contracts with our customers.

### ***Failure to Guarantee New Business***

Our revenue is typically derived from projects which are non-recurring in nature and our customers are under no obligation to award projects to us. During the Review Year, we secured new businesses mainly through direct invitation for quotation or tender by customers. However, we were adversely affected by the COVID-19 pandemic during the Review Year. We cannot assure you that (i) we will be invited to provide quotations or participate in the tendering process for new projects; and (ii) our submitted quotations and tenders will be selected by customers. Accordingly, the number and scale of projects and the amount of revenue we are able to derive therefrom may vary significantly from period to period, and it may be difficult to forecast the volume of future business. In the event that we fail to secure new contracts or there is a significant decrease in the number of tender/quotation invitations in the future, our business, financial position and prospects may be materially and adversely affected.

Our Directors believe that the public listing status will enhance our corporate profile and brand awareness among business stakeholders such as customers, contractors, project owners and government authorities. We believe that the public listing status will strengthen our internal control and corporate governance practices, which in turn would bolster our customers' and suppliers' confidence in us and attract potential new customers, as well as quality suppliers and subcontractors. Customers would tend to give preference to contractors who have a public listing status with good reputation, transparent financial disclosures and regulatory supervision. Our Directors believe that we will be able to maintain our competitiveness among the market leaders and differentiate ourselves from other competitors which are private companies during the tendering process, thus enhancing our success rate in securing sizeable projects.

### **Pledge of Assets**

As at 31 March 2022, the Group's bank borrowings were secured by (i) corporate guarantee given by the Company; (ii) proceeds in relation to all account receivable of one of the subsidiaries of the Company; (iii) personal guarantees given by Mr. Man and Mrs. Man (which fall within Rule 14A.90 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**")); and (iv) pledge of property owned by Hoi Sing Holdings (HK) Limited, a related party controlled and owned by Mr. Man and Mrs. Man (which falls within Rule 14A.90 of the Listing Rules).

### **Foreign Exchange Exposure**

As the Group only operates in Hong Kong and all of the revenue and transactions arising from its operations were settled in Hong Kong dollar, the Directors are of the view that the Group's foreign exchange rate risks are insignificant. Thus, the Group has not entered into any derivative contracts to hedge against the foreign exchange rate risk for the Review Year.

### **Capital Commitments and Contingent Liabilities**

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

	<b>2022</b>	2021
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Property, plant and equipment	<b>92</b>	92

On 11 March 2022, the Company's indirect wholly-owned subsidiary, Hoi Sing Decoration, received a letter of demand from a sub-contractor for outstanding payments in respect of construction work and subsequent to 31 March 2022, a writ of summons was issued by the sub-contractor against Hoi Sing Decoration for a sum of approximately HK\$44.0 million. Hoi Sing Decoration issued a writ of summons against the sub-contractor to claim approximately HK\$8.0 million for overpayment of construction work. Up to the date of this announcement, such legal proceedings are still in process. Based on the information available and advice from the Company's legal counsel, the Board considered that the outcome for the above claims is uncertain. Accordingly, no provision has been made to the consolidated financial statements.

Save as disclosed above, the Group had no other material contingent liabilities as at 31 March 2022 (As at 31 March 2021: nil).

### **Significant Investment, Material Acquisitions or Disposals of Subsidiaries and Associated Companies**

During the Review Year, the Group did not have any significant investment, material acquisitions or disposals of subsidiaries or associated companies.

### **Future Plans for Material Investments or Capital Assets**

The Group did not have any future plans for material investments or capital assets during the Review Year.

### **Employees and Remuneration Policy**

As at 31 March 2022, the Group employed a total of 56 full-time employees (including three executive Directors but excluding three independent non-executive Directors) as compared to a total of 55 full-time employees as at 31 March 2021. The remuneration packages that the Group offers to employees include salary, discretionary bonuses and other cash subsidies. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of its decisions with respect to salary raises, bonuses and promotions. The total staff cost incurred by the Group for the Review Year was approximately HK\$20.2 million compared to approximately HK\$28.4 million in FY2021.

The remuneration of the Directors is decided by the Board upon the recommendation from the remuneration committee of the Company having regard to the Group's operating results, individual performance and comparable market statistics.

### **Dividend**

The Board has resolved not to declare any dividend for the Review Year (FY2021: nil).

## **Closure of Register of Members**

The register of members of the Company will be closed from Tuesday, 23 August 2022 to Friday, 26 August 2022, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting of the Company (the “**AGM**”), all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, not later than 4:30 p.m. on Monday, 22 August 2022.

## **AGM**

The AGM will be held at Unit 1203B, 12/F, World-Wide House, 18 Des Voeux Road, Central, Hong Kong on Friday, 26 August 2022. The notice of AGM will be published on the Company’s website at [www.yield-go.com](http://www.yield-go.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and despatched to shareholders of the Company in due course.

## **CORPORATE GOVERNANCE CODE/OTHER INFORMATION**

### **Compliance with the Corporate Governance Code**

The Company has adopted the corporate governance code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules. The Company has complied with all the code provisions set out in the CG Code during the Review Year.

### **Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of the Directors, all the Directors have confirmed that they have complied with the requirements of the Model Code during the Review Year and up to the date of this announcement.

### **Share Option Scheme**

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 6 December 2018. The principal terms of the Share Option Scheme are summarised in Appendix IV to the Prospectus. The purposes of the Share Option Scheme are to (i) motivate eligible participants to optimise their performance efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain an ongoing business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group. The maximum number of Shares in respect of which share options may be granted under the Share Option Scheme and any other share option schemes shall not, in aggregate, exceed 48,000,000 Shares, unless otherwise approved by the shareholders of the Company. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 6 December 2018, and there is no outstanding share option as at 31 March 2022.

## **Competing Interests**

Neither the Directors, the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the Review Year, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

## **Purchase, Sale or Redemption of the Company's Securities**

During the Review Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

## **Event after the Review Year**

Master Success International Investment Limited, a company incorporated in the British Virgin Islands, becomes the Company's immediate parent and ultimate holding company from 29 April 2022 as set out in the Company's announcement dated 11 May 2022. Details of the relevant unconditional mandatory offer to remaining shareholders of the Company were set out in the composite document dated 22 June 2022. The mandatory cash offer has not been completed up to the date of this announcement.

Save as disclosed above, there was no other significant events relevant to the business or financial performance of the Group that come to the attention of the Directors.

## **Sufficiency of Public Float**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the Listing Rules during the Review Year and up to the date of this announcement.

## **Audit Committee Review**

The Company established the audit committee (the "**Audit Committee**") in accordance with Rule 3.21 of the Listing Rules with the written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The Audit Committee consists of three independent non-executive Directors, namely Mr. Chan Ka Yu, Dr. Lo Ki Chiu and Mr. Leung Wai Lim. Mr. Chan Ka Yu currently serves as the chairman of the Audit Committee.

The Group's consolidated financial statements for the Review Year have been reviewed and approved by the Audit Committee. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

## **Scope of work of Grant Thornton Hong Kong Limited**

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

## **Publication of Final Results and Annual Report**

This results announcement is published on the Company's website at [www.yield-go.com](http://www.yield-go.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The 2022 annual report for the Review Year will be despatched to shareholders of the Company and available on the same websites in due course.

## **Appreciation**

The Board would like to take this opportunity to express its sincere gratitude to the management team and staff for their hard work and contributions, and to our shareholders, investors and business partners for their trust and support.

By order of the Board  
**Yield Go Holdings Ltd.**  
**Man Hoi Yuen**  
*Chairman and Executive Director*

Hong Kong, 29 June 2022

*As at the date of this announcement, the Board comprises Mr. Man Hoi Yuen, Ms. Ng Yuen Chun and Mr. Ho Chi Hong as executive Directors; and Mr. Chan Ka Yu, Dr. Lo Ki Chiu and Mr. Leung Wai Lim as independent non-executive Directors.*