Yield Go Holdings Ltd.
耀高控股有限公司

(incorporated in the Cayman Islands with limited liability)
Stock code : 1796

2023 ANNUAL REPORT

CONTENTS

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Man Hoi Yuen *(Chairman)*
Ms. Ng Yuen Chun
Mr. Ho Chi Hong
Mr. Zheng Gang (appointed on 1 October 2022)
Mr. Lin Zheng (appointed on 1 October 2022)
Mr. Zheng Chenhui (appointed on 1 October 2022)

Non-executive Directors

Mr. Chen Jian (appointed on 1 October 2022)
Mr. Chen Yidong (appointed on 1 October 2022)

Independent Non-executive Directors

Mr. Chan Ka Yu
Dr. Lo Ki Chiu
Mr. Leung Wai Lim
Mr. Ma Hon Yiu (appointed on 30 December 2022)

AUDIT COMMITTEE

Mr. Chan Ka Yu *(Chairman)*
Dr. Lo Ki Chiu
Mr. Leung Wai Lim

REMUNERATION COMMITTEE

Mr. Leung Wai Lim *(Chairman)*
Mr. Chan Ka Yu
Dr. Lo Ki Chiu

NOMINATION COMMITTEE

Mr. Man Hoi Yuen *(Chairman)*
Mr. Chan Ka Yu
Mr. Leung Wai Lim

COMPANY SECRETARY

Mr. Siu Wing Kin

AUTHORISED REPRESENTATIVES

Mr. Ho Chi Hong
Mr. Siu Wing Kin

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3, 32/F
Cable TV Tower
No. 9 Hoi Shing Road
Tsuen Wan, New Territories
Hong Kong

LEGAL ADVISER

As to Hong Kong Law

David Fong & Co.
Unit A, 12/F
China Overseas Building
139 Hennessy Road
Wanchai
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road
North Point
Hong Kong

Corporate Information

AUDITORS

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

PRINCIPAL BANK

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

COMPANY'S WEBSITE

www.yield-go.com

STOCK CODE

1796

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Yield Go Holdings Ltd. (the "**Company**") and its subsidiaries (collectively, the "**Group**"), I hereby present the annual report of the Group for the year ended 31 March 2023 (the "**Review Year**") to all the shareholders.

Following noticeable economic expansion in 2021, Hong Kong's momentum was shattered in 2022. Economic activity was first affected by the fifth wave of local novel coronavirus ("**COVID-19**") outbreaks, severely affecting domestic consumption and investment sentiment. While the domestic situation started to improve with the end of COVID-19-related limitations, it was soon dragged down by deteriorating external conditions and tightening financial situations. In 2022, the real GDP of Hong Kong contracted by 3.5% for the whole year.

The construction industry in Hong Kong remains one of the most struggling in the past year. According to the Census and Statistics Department's Quarterly Business Tendency Survey conducted from 2 December 2022 to 9 January 2023, business sentiment among large enterprises in Hong Kong's construction industry deteriorated even further following the negative views reported a year ago. The hope is that lifting COVID-19 curbs could boost business sentiment in 2023, yet it could take some time to truly benefit the construction sector and fitting-out market.

Our Group is an established fitting-out contractor in Hong Kong with over 27 years of experience since the establishment of our principal operating subsidiary, Hoi Sing Decoration Engineering Company Limited ("**Hoi Sing Decoration**"), in 1995. We supervise project management and implementation, whereas on-site labour-intensive works are outsourced to our trusted subcontractors, with whom we have long-standing relationships. Having gained experience in project tendering as well as cost control over the past years in adverse market conditions, the Group managed to maintain a relatively stable stream of business income. However, with a lack of sizable projects in the market, the Group's business and financial performances were constrained.

For the Review Year, the Group's total revenue amounted to approximately HK$205.9 million, representing a decrease of about 11.3% compared to that of the year ended 31 March 2022 ("**FY2022**"). The gross profit margin of the Group for the Review Year was at approximately 5.9%, increasing 1.6 percentage points from FY2022, attributable to the improved cost control measures the Group put in place during the Review Year.

With the reopening of the border between Hong Kong and mainland China, the city is gradually returning to normalcy, and this has led to a significant boost in business sentiment across industries. Furthermore, there has been a slight improvement in demand for office and retail leasing in the first quarter of 2023, and the outlook for the commercial real estate market appears to be optimistic, creating anticipation for an influx of fitting-out projects in the market. However, unfavourable global market factors have presented challenges to investment markets, and various trends have emerged in different commercial real estate sectors in the first quarter of 2023, leaving numerous uncertainties for the near future.

Despite the challenges presented by the global economy, we anticipate that the sentiment and demand for the real estate market will strengthen in 2023, creating opportunities for recovery in the fitting-out industry. In the long term, we observe robust resilience and vibrancy in Hong Kong's real estate market, and it is reasonable to believe that the demand for fitting-out projects will eventually return.

Chairman's Statement

As one of the leading fitting-out contractors in the city, we remain steadfast in our confidence regarding the quality of our services. The challenges of the past years have only served to impart valuable lessons that will enable us to navigate the journey ahead with even greater efficiency and effectiveness. On behalf of the Board, I extend our sincere gratitude to all who have supported us throughout these challenging times. Looking ahead, we shall cautiously pursue opportunities to recover and grow. Our commitment to delivering superior services to our clients remains unwavering, and we look forward to continuing to exceed their expectations while maximising value for our shareholders.

Man Hoi Yuen
Chairman and Executive Director

Management Discussion and Analysis

INDUSTRY OVERVIEW

Hong Kong's economy significantly weakened in 2022. After expanding by 6.4% in GDP in 2021, it contracted by 3.5% in 2022. Private consumption sharply declined due to the fifth wave of local COVID-19 infections, resulting in a 3.9% year-on-year contraction in real GDP in the first quarter of 2022. Although the decline slowed to 1.2% in the second quarter as the pandemic stabilised, the impact of adverse external conditions caused the decline to widen to 4.6% and 4.2% in the third and fourth quarters, respectively. Entering 2023, the further relaxation of social distancing measures and the resumption of cross-border activities between the mainland and Hong Kong helped generate a rebound in GDP with a 2.7% growth in the first quarter, finally boosting hopes of recovery.

The mixed economic performances continued to bring challenges to Hong Kong's fitting-out industry even after the COVID-19 curbs were finally removed. According to the Land Registry, 59,619 agreements for the sale and purchase of building units were signed during the year 2022, representing a 38.0% decrease from 96,133 in 2021, indicating a sharp drop in fitting-out demand from new owners of properties.

Without sufficient sizable projects available in the market, Hong Kong's fitting-out contractors have faced considerable challenges in maintaining steady business during the Review Year. Several long-standing issues, including rising operating costs and labour shortages were further compounded by the impact of global events in the Review Year, which brought supply chain disruptions and rising energy costs, posing significant obstacles to the industry's operation and growth.

BUSINESS REVIEW AND OUTLOOK

The Group is an established fitting-out contractor in Hong Kong with decades of experience since the establishment of one of its principal operating subsidiaries, Hoi Sing Decoration Engineering Company Limited ("**Hoi Sing Decoration**"), in 1995. The Group's fitting-out services cover 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 ("**Milieu**"), 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 11.3% to approximately HK$205.9 million (FY2022: HK$232.2 million). The decrease was primarily attributable to a reduction in the number of sizeable projects available within the market. With sufficient cost control measures, the Group's gross profit margin increased 1.6 percentage points from 4.3% in FY2022 to 5.9% in the Review Year.

In response to the challenges faced in recent years, the Hong Kong government has initiated several schemes to support the city's economy and local businesses. These include measures designed to attract overseas talent, financial support to boost domestic consumption, and plans for large-scale infrastructure projects across the city.

Looking ahead, though the global economic factors still present an uncertain environment, mainland China's economic growth is expected to accelerate, and the lifting of cross-border restrictions between Hong Kong and the mainland should provide some support for the city's recovery. Additionally, the local economic outlook is expected to improve as economic activities return to normal in the post-pandemic era. The Hong Kong government estimates that the city's economy will rebound significantly in 2023, with real GDP forecasted to grow by 3.5% to 5.5%.

Management Discussion and Analysis

The fitting-out industry in Hong Kong, despite facing ongoing challenges, is expected to recover in the coming years, driven by demand for new and renovated commercial and residential spaces. However, contractors must adapt to changing market conditions and explore innovative solutions and strategies to remain competitive.

With its extensive experience in the market, the Group recognises that opportunities for growth and success are present in the fitting-out industry for contractors that can skillfully navigate the complexities of the market and adapt to changing circumstances. In light of this, the Group intends to pursue business strategies with both vigour and caution, striking a balance between growth and stability in its future development.

FINANCIAL REVIEW

Revenue

During the Review Year, the Group's revenue decreased by approximately HK$26.3 million or 11.3% to approximately HK$205.9 million (FY2022: approximately HK$232.2 million). Such decrease was primarily due to the decrease in the number of large-sized projects undertaken and available in the market during the Review Year.

Gross Profit and Gross Profit Margin

During the Review Year, the Group's gross profit increased by approximately HK$2.2 million to approximately HK$12.1 million (FY2022: approximately HK$9.9 million). The gross profit margin for the Review Year was approximately 5.9% (FY2022: approximately 4.3%). The increase in gross profit and gross profit margin was attributable to the improvement in the overall construction costs control under the current fierce industry competition during the Review Year.

Other Gains

During the Review Year, the Group recorded other gains from bank interest income of approximately HK$1,000 (FY2022: other gains from foreign exchange gains of approximately HK$148,000).

Administrative and Other Operating Expenses and (Provision)/Reversal for Expected Credit Losses ("ECL") Allowance

During the Review Year, the Group's administrative and other operating expenses and (provision)/reversal for expected credit losses ("**ECL**") allowance increased by approximately HK$12.7 million or 100.8% to approximately HK$25.3 million (FY2022: approximately HK$12.6 million). Such increase was primarily due to (i) a settlement payment of HK$7.0 million for litigations involving the Group; (ii) increase in legal fee of approximately HK$3.4 million incurred during the Review Year; and (iii) increase in staff cost and professional fees incurred during the same period.

Finance Costs

During the Review Year, the Group's finance costs increased by approximately HK$4.1 million or 292.9% to approximately HK$5.5 million (FY2022: approximately HK$1.4 million). Such increase was primarily due to the increase in interest rate of the renewed borrowings during the Review Year.

Income Tax Credit

For the Review Year, the income tax credit was nil (FY2022: approximately HK$6,000).

Net Loss

During the Review Year, loss and total comprehensive expense attributable to equity holders of the Company increased by approximately HK$14.7 million to approximately HK$18.7 million (FY2022: approximately HK$4.0 million). Such increase was primarily due to the increase in administrative and other operating expenses 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 2023, 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 2023, the Group had total cash and bank balances and restricted cash of approximately HK$20.1 million (FY2022: approximately HK$20.7 million). Such decrease was due to the net effect of net cash used in operating activity and net cash generated from financing activities of approximately HK$0.6 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, increased from approximately 34.7% as at 31 March 2022 to approximately 48.5% as at 31 March 2023. The increase was primarily due to increase in borrowings during the Review Year.

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.

Management Discussion and Analysis

PLEDGE OF ASSETS

As at 31 March 2023, the Group did not have any pledge of assets.

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:

	2023 **HK$'000**	2022 HK$'000
Property, plant and equipment	**92**	92

The Group had no material contingent liabilities as at 31 March 2023.

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.

Management Discussion and Analysis

CHANGE OF CONTROLLING SHAREHOLDERS

As disclosed in the joint announcement dated 11 May 2022 and the composite offer and response document dated 22 June 2022 jointly issued by the Company and Master Success International Investment Limited (the "**Offeror**"), on 29 April 2022, Hoi Lang Holdings Ltd. as vendor (the "**Vendor**"), Mr. Man Hoi Yuen, our executive Director as Vendor's guarantor, the Offeror as purchaser and Mr. Lin Zheng, our executive Director and Mr. Chen Yidong, our non-executive Director as Offeror's guarantors entered into the sale and purchase agreement (the "**Sale and Purchase Agreement**"), pursuant to which the Offeror agreed to acquire and the Vendor agreed to sell an aggregate of 360,000,000 Shares (the "**Sale Shares**"), representing 75% of the entire issued share capital of the Company at that time, for a total consideration of HK$247,500,000, equivalent to HK$0.6875 per Sale Share.

Immediately upon completion of the Sale and Purchase Agreement, the Offeror and the parties acting in concert with it were interested in 75% of the entire issued share capital of the Company. Pursuant to the Hong Kong Code on Takeovers and Mergers, Head & Shoulders Securities Limited, on behalf of the Offeror, made an unconditional mandatory cash offer to acquire all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) at HK$0.7212 per Share (the "**Offer**").

Pursuant to the announcement dated 13 July 2022 jointly issued by the Company and the Offeror, immediately after the close of the Offer, on 13 July 2022, the Offeror and the parties acting in concert with it were interested in an aggregate of 360,264,000 Shares, representing approximately 75.055% of the total issued share capital of the Company. Accordingly, the minimum public requirement of 25% as set out under Rule 8.08(1)(a) of the Listing Rules was not satisfied immediately after the close of the Offer. As disclosed in the announcement of the Company dated 20 July 2022, the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") granted the Company a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for a period from 13 July 2022 to 12 August 2022.

As disclosed in the announcement of the Company dated 1 August 2022, the Company was informed by the Offeror that the Offeror had disposed of 264,000 Shares, representing 0.055% of the total issued share capital of the Company (the "**Disposal**"). Immediately after the Disposal, 120,000,000 Shares, representing 25% of the total issued share capital of the Company, were held by the public (within the meaning of the Listing Rules). As such, the minimum public float requirement of 25% as set out under Rule 8.08(1)(a) of the Listing Rules has been fulfilled.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2023, the Group employed a total of 58 full-time employees (including six executive Directors and two non-executive Directors but excluding four independent nonexecutive Directors) as compared to a total of 56 full-time employees as at 31 March 2022.

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$22.6 million compared to approximately HK$20.2 million in FY2022. 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.

Management Discussion and Analysis

DIVIDEND

The Board has resolved not to declare any dividend for the Review Year (FY2022: nil).

DIVIDEND POLICY

The Board endeavors to strike a balance between the interests of the shareholder and prudent capital management with a sustainable dividend policy. In proposing any dividend payout, the Board shall take into consideration of, among others, the following factors:

1. operations and financial performance;
2. profitability;
3. business development;
4. prospects;
5. capital requirements;
6. economic outline; and
7. any other factors that the Board consider appropriate.

The Board will review the dividend policy as appropriate from time to time.

Biographical Details of the Directors and Senior Management

Biographical details of the Directors and senior management are set out as follows:

DIRECTORS

Executive Directors

Mr. Man Hoi Yuen (文海源) ("Mr. Man"), aged 61, was appointed as our Director on 9 May 2018, and re-designated as an executive Director on 7 June 2018. He was also appointed as chairman of our Board on 6 December 2018. He is mainly responsible for overall management, strategic development and major decision-making of our Group. Mr. Man is also the chairman of the nomination committee of our Board. Mr. Man is the spouse of Mrs. Man. Prior to founding Hoi Sing Decoration with Mrs. Man in 1995, Mr. Man worked for a construction company since 1982. As one of the founders of our Group, Mr. Man has over 27 years of experience in the fitting-out industry. Mr. Man is also one of the directors of each of Link Shing Holdings Ltd. ("**Link Shing**"), Hoi Sing Decoration, Hoi Sing Construction (H.K.) Limited ("**Hoi Shing Construction**"), Chun Shing Development Co., Limited ("**Chun Shing Development**") and Milieu. Mr. Man attended secondary education.

Mr. Man has entered into a service agreement (the "**Service Agreement**") with the Company for an initial term of three years commencing on 31 December 2021 and will continue thereafter until terminated in accordance with the terms of the agreement. He has entered into a letter of renewal with the Company to renew the Service Agreement for a further term of three years commencing from the expiry of the Service Agreement upon the same terms. The amount of emoluments paid for the Review Year to Mr. Man is set out in note 12 to the consolidated financial statements for the Review Year in this report. Such remuneration/emoluments will be reviewed annually by the Board and the remuneration committee and he is also entitled to a discretionary bonus with reference to his performance and the operating results of the Group.

As at 31 March 2023, Mr. Man was interested in 360,000,000 Shares held through Hoi Lang Holdings Ltd. ("**Hoi Lang**") (representing 75% of the aggregate number of Shares in issue). Save as disclosed above, Mr. Man (i) has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not have any interest in the shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO; and (iii) does not have any relationship with any other Directors, senior management or substantial shareholder or controlling shareholder of the Company.

Ms. Ng Yuen Chun (吳婉珍) ("Mrs. Man"), aged 57, was appointed as our Director on 9 May 2018 and was re-designated as an executive Director on 7 June 2018. She is mainly responsible for overall management and overseeing administrative matters of our Group. Mrs. Man is one of the founders of our Group and the spouse of Mr. Man. Mrs. Man attended secondary education. Mrs. Man co-established Hoi Sing Decoration with Mr. Man in 1995 and has over 27 years of experience in the fitting-out industry. Mrs. Man is also one of the directors of each of Link Shing, Hoi Sing Decoration, Hoi Sing Construction, Chun Shing Development and Milieu.

Mrs. Man has entered into a service agreement (the "**Service Agreement**") with the Company for an initial term of three years commencing on 31 December 2021 and will continue thereafter until terminated in accordance with the terms of the agreement. She has entered into a letter of renewal with the Company to renew the Service Agreement for a further term of three years commencing from the expiry of the Service Agreement upon the same terms. The amount of emoluments paid for the Review Year to Mrs. Man is set out in note 12 to the consolidated financial statements for the Review Year in this report. Such remuneration/emoluments will be reviewed annually by the Board and the remuneration committee and she is also entitled to a discretionary bonus with reference to her performance and the operating results of the Group.

As at 31 March 2023, Mrs. Man was interested in 360,000,000 Shares held through Hoi Lang (representing 75% of the aggregate number of Shares in issue). Save as disclosed above, Mrs. Man (i) has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not have any interest in the shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO; and (iii) does not have any relationship with any other Directors, senior management or substantial shareholder or controlling shareholder of the Company.

Biographical Details of the Directors and Senior Management

Mr. Ho Chi Hong (何志康) ("Mr. Ho"), aged 47, was appointed as our Director on 9 May 2018 and was re-designated as an executive Director on 7 June 2018. He is also our chief executive officer and mainly responsible for overseeing the tendering activities and participating in the day-to-day operation and management of our Group. Mr. Ho became one of the shareholders of Hoi Sing Decoration in August 2014 and one of the directors of Hoi Sing Decoration since October 2014.

Mr. Ho obtained a degree of Bachelor of Science in Quantity Surveying from the University of Greenwich in the United Kingdom in July 1998. Mr. Ho has accumulated about 24 years of experience in the construction industry. Prior to joining our Group in May 2001, he was an assistant quantity surveyor in Hoo Cheong Building Construction Co., Ltd. from July 1998 to March 2001.

Mr. Ho has entered into a service agreement (the "**Service Agreement**") with the Company for an initial term of three years commencing on 31 December 2021 and will continue thereafter until terminated in accordance with the terms of the agreement. He has entered into a letter of renewal with the Company to renew the Service Agreement for a further term of three years commencing from the expiry of the Service Agreement upon the same terms. The amount of emoluments paid for the Review Year to Mr. Ho is set out in note 12 to the consolidated financial statements for the Review Year in this report. Such remuneration/emoluments will be reviewed annually by the Board and the remuneration committee and he is also entitled to a discretionary bonus with reference to his performance and the operating results of the Group.

As at the date of this report, save as disclosed above, Mr. Ho (i) has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not have any interest in the shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO; and (iii) does not have any relationship with any other Directors, senior management or substantial shareholder or controlling shareholder of the Company.

Mr. Zheng Gang (鄭鋼), aged 55, was appointed as our Director on 1 October 2022. He has over 20 years of management experience in finance, investment and trading. From July 2012 to May 2013, Mr. Zheng Gang was an independent non-executive director of Opes Asia Development Limited (華保亞洲發展有限公司) (currently known as China Internet Investment Finance Holdings Limited (中國互聯網投資金融集團有限公司)) (stock code: 810), a company principally engaged in investment in equity and debt securities of listed and unlisted companies, the issued shares of which are listed on the Stock Exchange. From May 2018 to November 2019, he was a non-executive director of New Provenance Everlasting Holdings Limited (新源萬恒控股有限公司) (stock code: 2326), a company principally engaged in the sourcing and sale of metal minerals and related industrial materials, and the production and sale of industrial products, the issued shares of which are listed on the Stock Exchange. Since August 2007, Mr. Zheng Gang has been an executive director of Good Fellow Healthcare Holdings Limited (金威醫療集團有限公司) (previously known as Hua Xia Healthcare Holdings Limited (華夏醫療集團有限公司)) (stock code: 8143), a provider of general hospital services in the People's Republic of China (the "**PRC**"), the issued shares of which are listed on GEM of the Stock Exchange. Since March 2016, he has been an independent non-executive director of Smart-Core Holdings Limited (芯智控股有限公司) (stock code: 2166), a distributor of integrated circuit and other electronic components and technology value-added service provider in the PRC, the issued shares of which are listed on the Stock Exchange.

Mr. Zheng Gang obtained a bachelor degree in electronic engineering from Xiamen University in the PRC in July 1989 and a master degree in business administration from the University of Wales in the United Kingdom in April 1994.

Biographical Details of the Directors and Senior Management

Mr. Zheng Gang has entered into a service agreement with the Company for an initial term of three years commencing on 1 October 2022 and will continue thereafter until terminated in accordance with the terms of the agreement. The amount of emoluments paid for the Review Year to Mr. Zheng Gang is set out in note 12 to the consolidated financial statements for the Review Year in this report. Such remuneration/emoluments will be reviewed annually by the Board and the remuneration committee and he is also entitled to a discretionary bonus with reference to his performance and the operating results of the Group.

As at the date of this report, save as disclosed above, Mr. Zheng Gang (i) has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not have any interest in the shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO; and (iii) does not have any relationship with any other Directors, senior management or substantial shareholder or controlling shareholder of the Company.

Mr. Lin Zheng (林崢) ("Mr. Lin"), aged 36, was appointed as our Director on 1 October 2022. He is a director of Yield Go Investment Group Limited, a direct wholly-owned subsidiary of the Company and Yield Go Investment Holding Limited, an indirect wholly-owned subsidiary of the Company. He has been a director of Beijing Rebellion Technology Company Limited* (北京鋭百淩科技有限公司) ("**Beijing Rebellion**") since November 2017, a company principally engaged in the design and sales of gas and flame detection products. He also had experience in investing and managing nickel smelting and trading business. From May 2011 to May 2017, Mr. Lin was the director of Guangdong Century Tsingshan Nickel Industry Company Limited* (廣東世紀青山鎳業有限公司) (formerly known as 陽江世紀青山鎳業有限公司), a company principally engaged in the production, processing and sales of metallic products.

Mr. Lin has entered into a service agreement with the Company for an initial term of three years commencing on 1 October 2022 and will continue thereafter until terminated in accordance with the terms of the agreement. The amount of emoluments paid for the Review Year to Mr. Lin is set out in note 12 to the consolidated financial statements for the Review Year in this report. Such remuneration/emoluments will be reviewed annually by the Board and the remuneration committee and he is also entitled to a discretionary bonus with reference to his performance and the operating results of the Group.

As at the date of this report, save as disclosed above, Mr. Lin (i) has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not have any interest in the shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO; and (iii) does not have any relationship with any other Directors, senior management or substantial shareholder or controlling shareholder of the Company.

* *For identification only*

Biographical Details of the Directors and Senior Management

Mr. Zheng Chenhui (鄭晨輝), aged 44, was appointed as our Director on 1 October 2022. He has over 18 years of experience in sales and marketing. From September 2003 to November 2006, Mr. Zheng Chenhui served as a sales manager at the Beijing Branch of Fujian Start Group Co. Ltd* (福建實達電腦集團股份有限公司北京分公司), a company principally engaged in the sales of computers and ancillary devices, office devices, telecommunications devices and home appliances and provision of technological consulting and related services related to computers, where he was primarily responsible for sales and marketing. From November 2006 to August 2013, Mr. Zheng Chenhui worked for Biovin Electronic Co., Ltd.* (北京標映電子科技有限公司) (which was deregistered in August 2017), a company principally engaged in the assembly of electronic devices, technological development and sales of electronic products, computers, software and ancillary devices and trading of products, with his last position as a director and he was primarily responsible for sales and marketing. From November 2016 to December 2018, Mr. Zheng Chenhui worked for Beijing Xiaohe Technology Co., Ltd.* (北京小禾科技有限公司) (which was deregistered in September 2019), a company principally engaged in the development and sales of software applied in automotive electronics, optical products and mobile applications, with his last position as general manager. Mr. Zheng Chenhui is currently a director of Shenzhen Dsit Technology Co., Ltd.* (深圳點石創新科技有限公司), a company principally engaged in, amongst others, the technological development and sales of electronic components, integrated circuits, optoelectronic products, semiconductors, solar energy products, instrument components, digital televisions, telecommunication products, traffic management solutions, road traffic facilities, broadcasting equipment, electronic equipment for use in aviation and testing equipment, where he is primarily responsible for sales and marketing. Mr. Zheng Chenhui has been a sales director of Beijing Zhexing Information Technology Co., Ltd.* (北京浙星資訊技術有限公司) since December 2018, a company principally engaged in the development and sales of mobile applications, electronic payment platforms and point of sales systems. Since September 2019, Mr. Zheng Chenhui has been a director of Silk Chain Limited, a company principally engaged in the trading of circuit boards, integrated circuits, electronic components, and other electronic products, and he is primarily responsible for overall business management, strategic planning and daily operation.

Mr. Zheng Chenhui has entered into a service agreement with the Company for an initial term of three years commencing on 1 October 2022 and will continue thereafter until terminated in accordance with the terms of the agreement. The amount of emoluments paid for the Review Year to Mr. Zheng Chenhui is set out in note 12 to the consolidated financial statements for the Review Year in this report. Such remuneration/emoluments will be reviewed annually by the Board and the remuneration committee and he is also entitled to a discretionary bonus with reference to his performance and the operating results of the Group.

As at the date of this report, save as disclosed above Mr. Zheng Chenhui (i) has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not have any interest in the shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO; and (iii) does not have any relationship with any other Directors, senior management or substantial shareholder or controlling shareholder of the Company.

* *For identification only*

Biographical Details of the Directors and Senior Management

Non-executive Directors

Mr. Chen Jian (陳建), aged 49, was appointed as our Director on 1 October 2022. He has over 10 years of experience in business management. He has been a deputy general manager of Beijing Rebellion since 2017. Prior to that, he held management roles and focused on business development and marketing in other corporations in the trading and software development industries.

Mr. Chen Jian has entered into a service agreement with the Company for an initial term of three years commencing on 1 October 2022 and will continue thereafter until terminated in accordance with the terms of the agreement. The amount of emoluments paid for the Review Year to Mr. Chen Jian is set out in note 12 to the consolidated financial statements for the Review Year in this report. Such remuneration/emoluments will be reviewed annually by the Board and the remuneration committee and he is also entitled to a discretionary bonus with reference to his performance and the operating results of the Group.

As at the date of this report, save as disclosed above, Mr. Chen Jian (i) has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not have any interest in the shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO; and (iii) does not have any relationship with any other Directors, senior management or substantial shareholder or controlling shareholder of the Company.

Mr. Chen Yidong (陳怡冬), aged 27, was appointed as our Director on 1 October 2022. He has over 3 years of experience in trading of commodities. Mr. Chen Yidong has been a director of Xiamen Dinglong Trading Company Limited* (廈門錠龍貿易有限公司) since September 2019, which is principally engaged in trading business. Mr. Chen Yidong has also been a director of China Yong Energy (Xiamen) Co., Ltd.* (華永能源廈門有限公司) since November 2019, a company principally engaged in the trading of commodities such as steel and property investment.

Mr. Chen Yidong has entered into a service agreement with the Company for an initial term of three years commencing on 1 October 2022 and will continue thereafter until terminated in accordance with the terms of the agreement. The amount of emoluments paid for the Review Year to Mr. Chen Yidong is set out in note 12 to the consolidated financial statements for the Review Year in this report. Such remuneration/emoluments will be reviewed annually by the Board and the remuneration committee and he is also entitled to a discretionary bonus with reference to his performance and the operating results of the Group.

As at the date of this report, Master Success International Limited ("**Master Success**"), a company owned as to 46.67% by Mr. Chen Yidong, holds 360,000,000 Shares which represents approximately 75% of the issued share capital of the Company. By virtue of Part XV of the SFO, Mr. Chen Yidong is deemed to be interested in the Shares in which Master Success is interested. As at the date of this report, save as disclosed above, Mr. Chen Yidong (i) has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not have any interest in the shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO; and (iii) does not have any relationship with any other Directors, senior management or substantial shareholder or controlling shareholder of the Company.

* *For identification only*

Biographical Details of the Directors and Senior Management

Independent Non-Executive Directors

Mr. Chan Ka Yu (陳家宇) ("Mr. Chan"), aged 44, was appointed as our independent non-executive Director on 6 December 2018. He is mainly responsible for overseeing the management independently and providing independent judgment on our strategy, performance, resources and standard of conduct of our Group. He is the chairman of our audit committee, and a member of each of our remuneration committee and nomination committee.

Mr. Chan has over 15 years of working experience in professional accounting, financial reporting, compliance services and corporate finance such as initial public offerings. Since June 2013, he has been working as the chief financial officer of Virtual Mind Holding Company Limited (formerly known as CEFC Hong Kong Financial Investment Company Limited) (stock code: 1520), a company listed on the Main Board of the Stock Exchange. Mr. Chan currently is an independent non-executive director of Dragon Rise Group Holdings Limited (龍昇集團控股有限公司) (stock code: 6829) and TS Wonders Holding Limited (stock code: 1767), both shares of which are listed on the Main Board of the Stock Exchange.

Mr. Chan obtained a degree of Bachelor of Commerce in Accounting from Hong Kong Shue Yan University in October 2009. He is a member of The Hong Kong Institute of Certified Public Accountants since March 2009.

Mr. Chan has entered into a letter of appointment (the "**Letter of Appointment**") for a fixed term of three years with effect from 31 December 2021 and will continue thereafter until terminated in accordance with the terms of the appointment. He has entered into a letter of renewal with the Company to renew the Letter of Appointment for a further term of three years commencing from the expiry of the Letter of Appointment upon the same terms. He is entitled to an annual director's fee of HK$180,000.

Save as disclosed above, Mr. Chan has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. He is not connected with any Directors, senior management, substantial or controlling shareholders of the Company, nor does he have any interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Dr. Lo Ki Chiu (盧其釗) ("Dr. Lo"), aged 38, was appointed as our independent non-executive Director on 6 December 2018. He is mainly responsible for overseeing the management independently and providing independent judgment on our strategy, performance, resources and standard of conduct of our Group. He is a member of each of our remuneration committee and audit committee.

Biographical Details of the Directors and Senior Management

Dr. Lo is currently the managing director of Wealth Property Agency Limited, which he joined in December 2007 first as an account executive. He is also a honorary assistant professor at the School of Arts and Social Sciences of the Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong). Dr. Lo was a guest lecturer of The Education University of Hong Kong from January 2017 to June 2017. He was also a part-time instructor and an assistant instructor of the Lingnan Institute of Further Education, Lingnan University from February 2017 to June 2017 and from September 2012 to August 2013, respectively. Dr. Lo was an independent non-executive director of Wang Yang Holdings Limited (泓盈控股有限公司) (currently known as Central Holdings Group Co. Ltd. (中環控股集團有限公司)) (stock code: 1735), the shares of which are listed on the Main Board of the Stock Exchange, from March 2018 to October 2019.

Dr. Lo obtained (i) a degree of Bachelor of Arts in Physical Education and Recreation Management from the Hong Kong Baptist University in November 2007; (ii) a degree of Master of Science in International Banking and Finance from the Lingnan University in October 2009; (iii) a degree of Master of Philosophy in Economics from the Lingnan University in October 2011; and (iv) a degree of Doctor of Philosophy in the Hong Kong Baptist University in November 2019.

Dr. Lo has entered into a letter of appointment (the "**Letter of Appointment**") for a fixed term of three years with effect from 31 December 2021 and will continue thereafter until terminated in accordance with the terms of the appointment. He has entered into a letter of renewal with the Company to renew the Letter of Appointment for a further term of three years commencing from the expiry of the Letter of Appointment upon the same terms. He is entitled to an annual director's fee of HK$180,000.

Save as disclosed above, Dr. Lo has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. He is not connected with any Directors, senior management, substantial or controlling shareholders of the Company, nor does he have any interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Mr. LEUNG Wai Lim (梁唯廉) ("Mr. Leung"), aged 50, was appointed as the independent non-executive Director on 6 December 2018. He is mainly responsible for overseeing the management independently and providing independent judgment on our strategy, performance, resources and standard of conduct of our Group. He is the chairman of our remuneration committee, and a member of each of our audit committee and nomination committee.

Mr. Leung is (i) a Chairman of the Transport Tribunals' Panel appointed by Secretary for Transport and Housing Since 2023; (ii) a Member of the Transportation and Logistics Committee (Co-option) of The Law Society of Hong Kong since 2018; (iii) a Member of Patient Complaint Committee of the Prince Philip Dental Hospital since 2021; and (iv) a Member of Admiralty Court Users' Committee appointed by Chief Justice of HKSAR since 2013.

Mr. Leung was an adjudicator appointed to the Panel of Adjudicators (Control of Obscene and Indecent Articles) (established under the Control of Obscene and Indecent Articles Ordinance (Chapter 390 of the Laws of Hong Kong)) (2015–2020) and a member of the Board of Review (Inland Revenue Ordinance) in Hong Kong (2015–2020).

Mr. Leung has over 20 years of law related working experience. He was employed by DLA Piper from February 2001 to April 2009 at which his last position was partner. He was then employed by Eversheds from May 2009 to April 2015 at which his last position was partner. He is a partner of Howse Williams (previous known as Howse Williams Bowers) since May 2015. Mr. Leung obtained a bachelor's degree in law from University of Wales in United Kingdom in July 1995. He was admitted to practise law as a solicitor in Hong Kong in August 1999 and in England and Wales in April 2001. He is also currently an independent non-executive director of Shun Wo Group Holdings Limited (汛和集團控股有限公司) (stock code: 1591) and China New Economy Fund Limited (中國新經濟投資有限公司) (stock code: 0080).

Biographical Details of the Directors and Senior Management

Mr. Leung obtained a degree of Bachelor of Laws from University of Wales in the United Kingdom in July 1995. Mr. Leung was admitted to practice law as a solicitor in Hong Kong in August 1999 and in England and Wales in April 2001.

Mr. Leung has entered into a letter of appointment (the "**Letter of Appointment**") for a fixed term of three years with effect from 31 December 2021 and will continue thereafter until terminated in accordance with the terms of the appointment. He has entered into a letter of renewal with the Company to renew the Letter of Appointment for a further term of three years commencing from the expiry of the Letter of Appointment upon the same terms. He is entitled to an annual director's fee of HK$180,000.

Save as disclosed above, Mr. Leung has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. He is not connected with any Directors, senior management, substantial or controlling shareholders of the Company, nor does he have any interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Ma Hon Yiu (馬漢耀) ("Mr. Ma"), aged 59, was appointed as our independent non-executive Director on 30 December 2022. He is mainly responsible for overseeing the management independently and providing independent judgment on our strategy, performance, resources and standard of conduct of our Group. Mr. Ma has over 35 years of experience in building services engineering. From September 1994 to June 2010, Mr. Ma worked as a project manager at Join Ocean Construction Machinery Engineering Co., Ltd. From September 2010 to January 2011, Mr. Ma worked as a project manager at Tai Lee Building Contractors Ltd. From March 2011 to July 2013, Mr. Ma worked as a senior building services engineer at Paul Y. Management Limited. From September 2013 to June 2014, he worked as an executive building services engineer at Hsin Chong Construction Co., Ltd. From June 2014 to January 2017, he worked as a project manager at Paul Y. Management Limited. From February 2017 to September 2018, Mr. Ma provided project management and consultancy services to different companies as a freelancer. From October 2018 to June 2022, he was a building services manager at Fruit Design and Build Limited, which is principally engaged in provision of building consultancy services.

Mr. Ma completed a higher diploma in building services engineering from The Hong Kong Polytechnic University in 1987 and obtained a master's degree in business administration in management from the Southeastern University in 1997, a bachelor's degree in fire engineering from the University of Central Lancashire in 1999 and a master's degree in building services engineering from the University of Hong Kong in 2004. He has been a corporate member of The Hong Kong Institution of Engineers since 2008, a chartered engineer and corporate member of The Chartered Institution of Building Services Engineers since 2004, and a chartered engineer and fellow member of The Society of Operations Engineers since 2003 and 2002, respectively.

Mr. Ma has entered into a letter of appointment for a fixed term of three years with effect from 30 December 2022 and will continue thereafter until terminated in accordance with the terms of the appointment. He is entitled to an annual director's fee of HK$180,000.

Biographical Details of the Directors and Senior Management

As at the date of this report, Mr. Ma is interested in 100,000 Shares, representing approximately 0.02% of the total issued share capital of the Company. As at the date of this report, save as disclosed above, Mr. Ma (i) has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not have any interest in the shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO; and (iii) does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Saved as disclosed above, there was no change to any information required to be disclosed in relation to any Director pursuant to Rule 13.51(2)(a) to (e) and (g) of the Listing Rules during the Review Year. The Board is not aware of any information that ought to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters that ought to be brought to the attention of the shareholders of the Company.

Senior Management

Mr. Siu Wing Kin (蕭永健) ("Mr. Siu"), aged 52, joined our Group in November 2017 and is our company secretary and financial controller. Mr. Siu is mainly responsible for overall management of financial matters and company secretarial matters of our Group. Mr. Siu has over 27 years of audit, accounting and financial management experience. Mr. Siu obtained a degree of Bachelor of Economics (major in accounting) from The University of Sydney in Australia in June 1996. He is also a member of The Hong Kong Institute of Certified Public Accountants.

From July 1996 to July 2001, Mr. Siu worked for S.N. Tsang & Co., at which his last position was audit manager. Mr. Siu joined Mayor Packaging Enterprises (1968) Ltd. as a finance and administration manager from June 2001 to January 2005. He then joined CCT Telecom (HK) Limited as a finance manager from August 2006 to October 2008. He worked for Hayco (Hong Kong) Limited as a finance manager from May 2013 to June 2014. From September 2014 to October 2017, Mr. Siu worked for Mega Precision Technology Limited at which his last position was deputy chief operation officer.

Ms. Cheung Lai Yi (張麗儀) ("Ms. Cheung"), aged 49, joined our Group in November 1997 and is our administration and account manager. Ms. Cheung is mainly responsible for overall management of human resources and administrative matters of our Group. She has over 24 years of administrative experience. Ms. Cheung attended secondary education. Prior to joining our Group, Ms. Cheung worked as a QA inspector in AST Research (Far East) Limited from November 1994 to January 1996.

Corporate Governance Report

The Group recognises the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Group is committed to maintaining good corporate governance to safeguard the interest of shareholders and to achieve effective accountability because the Group believes that is the best way to maximise our shareholder's value.

The Company has applied the principles of and complied with the applicable code provisions (the "**Code Provisions**") as set out under the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules. The Directors will periodically review on the Company's corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the Code Provisions from time to time. During the Review Year and up to the date of this report, the Company has complied with all the applicable Code Provisions.

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 report.

THE BOARD

Composition

The Company is committed to holding the view that the Board should include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgment. As at the date of this report, the Board is chaired by Mr. Man Hoi Yuen and comprised of twelve members including six executive Directors, two non-executive Directors and four independent non-executive Directors.

Biographical details of the Directors and relationship between Board members are set out in the section headed "Biographical Details of the Directors and Senior Management" in this report.

Executive Directors:

Mr. Man Hoi Yuen *(Chairman)*
Ms. Ng Yuen Chun
Mr. Ho Chi Hong
Mr. Zheng Gang (appointed on 1 October 2022)
Mr. Lin Zheng (appointed on 1 October 2022)
Mr. Zheng Chenhui (appointed on 1 October 2022)

Non-executive Directors:

Mr. Chen Jian (appointed on 1 October 2022)
Mr. Chen Yidong (appointed on 1 October 2022)

Independent Non-executive Directors:

Mr. Chan Ka Yu
Dr. Lo Ki Chiu
Mr. Leung Wai Lim
Mr. Ma Hon Yiu (appointed on 30 December 2022)

Chairman and Chief Executive Officer

To ensure a balance of power and authority, the position of the chairman and chief executive officer of the Company are held by different individuals. Mr. Man Hoi Yuen is the chairman and Mr. Ho Chi Hong is the chief executive officer. The primary role of the chairman is to provide leadership for the Board and to ensure it works effectively in discharging its responsibilities. The chief executive officer is responsible for the day-to-day management of the Group's business.

Board Diversity Policy

The Board has adopted a board diversity policy (the "**Board Diversity Policy**"). The summary of the Board Diversity Policy is disclosed as below:

- the Company recognises the benefits of having a diverse Board to enhance the quality and effectiveness of the Board;
- in designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- all Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board;
- the selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board; and
- the nomination committee of the Board will report on the Board's composition under diversified perspectives, monitor the implementation of the Board Diversity Policy, review the Board Diversity Policy to ensure effectiveness and recommend for any revisions to the Board for consideration and approval.

During the Review Year, the Company maintained an effective Board comprising members of different genders, professional background and industry experience. The Board Diversity Policy was consistently implemented. As at the date of this report, the Board consists of one female and eleven male Directors. The Board considers that the gender diversity in respect of the Board taking into account the business model and specific needs of the Company is satisfactory.

Independent Non-executive Directors

The independent non-executive Directors including Mr. Chan Ka Yu, Dr. Lo Ki Chiu and Mr. Leung Wai Lim have been appointed by the Company for a fixed term of three years commencing from 31 December 2021, whereas Mr. Ma Hon Yiu has been appointed by the Company as an independent non-executive Director for a fixed term of three years commencing from 30 December 2022. Such appointment may be terminated in accordance with the terms of the letters of appointment, including by either party giving to the other party not less than three months' advance written notice of termination.

The independent non-executive Directors have brought in a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all independent non-executive Directors will continue to make various contributions to the Company.

Corporate Governance Report

With effect from 1 October 2022, Mr. Zheng Gang, Mr. Lin Zheng and Mr. Zhen Chenhui were appointed as executive Directors and Mr. Chen Jian and Mr. Chen Yidong were appointed as non-executive Directors. Following the appointment of the Directors as aforementioned, the composition of the Board comprised six executive Directors, two non-executive Directors and three independent non-executive Directors. As a result, the number of the independent non-executive Directors was less than one-third of the Board which fell below the minimum requirement prescribed under Rule 3.10A of the Listing Rules.

Reference is made to (i) the announcement of the Company dated 30 September 2022 in relation to, amongst others, the number of independent non-executive Directors falling short of the requirements under Rule 3.10A of the Listing Rules; and (ii) the announcement of the Company dated 20 December 2022 in relation to the waiver application (the "**Waiver Application**") for extension of time for compliance with Rule 3.10A of the Listing Rules. Following the appointment of Mr. Ma Hon Yiu, the number of independent non-executive Directors of the Company complies with Rule 3.10A of the Listing Rules and the Company has arranged to withdraw the Waiver application with the Stock Exchange.

Throughout the Review Year, the Company had complied with the requirement of the Listing Rules that at least one of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise.

Each of the independent non-executive Directors has given an annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. As at the date of this report, the Company is of the view that all independent non-executive Directors are independent in accordance with the relevant requirements under the Listing Rules.

Appointment, Re-Election and Removal of Directors

Each of the Directors has entered into a service agreement or a letter of appointment with the Company for a specific term and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the second amended and restated memorandum and articles of association of the Company (the "**Restated Articles**").

In accordance with article 84 of the Restated Articles, at each annual general meeting, one third of the Directors for the time being will retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors who shall retire in each year will be those who have been longest in the office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

In accordance with article 83 of the Restated Articles, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with articles 83 and 84 of the Restated Articles, Mr. Man Hoi Yuen, Mr. Zheng Gang, Mr. Lin Zheng, Mr. Zheng Chenhui, Mr. Chen Jian, Mr. Chen Yidong, Mr. Chan Ka Yu and Mr. Ma Hon Yiu will retire as Directors by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

Corporate Governance Report

Role and Responsibilities

The Board is responsible for the overall management of the Group and all day-to-day operations and management of the Company's business has been delegated to management under the leadership of the chief executive officer of the Company.

The principal roles of the Board are to:

- set long term objectives and strategies;
- approve major policies and guidelines;
- prepare and approve financial statements, annual report and interim report;
- approve major capital expenditures, acquisition and disposals;
- approve connected transactions;
- approve material borrowings and expenditures;
- review and monitor of internal control and risk management; and
- declare and recommend the payments of dividends.

No corporate governance committee has been established and the Board is responsible for the corporate governance functions of the Company, which includes:

- develop and review the Company's policies and practices on corporate governance;
- review and monitor the training and continuous professional development of Directors and senior management;
- review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- review the Company's compliance with the CG Code and disclosure in the corporate governance report.

The Directors will review the Group's corporate governance policies and compliance with the CG Code each financial year and comply with the "comply or explain" principle in the corporate governance report.

Directors' Insurance

The Company has arranged appropriate insurance coverage for all Directors in relation to the discharge of their responsibilities.

Corporate Governance Report

Directors' Training and Professional Development

The Company, from time to time, provides in-house trainings for the Directors in the form of seminars, workshops and/or reading relevant material on the latest development of applicable laws, rules and regulations, management, financial and business issues to develop and refresh their knowledge and skills. The above training costs are borne by the Company.

The Directors are required to provide the Company with details of the training's records. Training records of each Director received for the Review Year are summarised below:

	Type of trainings
Mr. Man Hoi Yuen	B
Ms. Ng Yuen Chun	B
Mr. Ho Chi Hong	B
Mr. Zheng Gang	A and C
Mr. Lin Zheng	B and C
Mr. Zheng Chenhui	B and C
Mr. Chen Jian	B and C
Mr. Chen Yidong	B and C
Mr. Chan Ka Yu	A and B
Dr. Lo Ki Chiu	B
Mr. Leung Wai Lim	A and B
Mr. Ma Hon Yiu	B

A: attending seminars/conferences/forums

B: reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

C: attending training session conducted by the legal advisers of the Group

Meetings and Attendance

The Board is scheduled to meet four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in advance. For all other Board meetings, notice will be given in a reasonable time in advance. The Directors are allowed to include any matter in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at each of the Board meetings and to make informed decisions, an agenda and the accompanying Board papers will be sent to all Directors at least 3 days before the intended date of the Board meeting, or such other period as agreed.

Minutes of the Board and committee meetings are prepared and kept by the company secretary of the Company and are open for inspection by Directors upon request. All Directors have access to the advice and services of the company secretary and are allowed to seek external professional advice if needed.

During the Review Year, the Board held five meetings and one general meeting. The attendance record of each member of the Board is set out below:

	Number of Board meeting attended/ eligible to attend	Number of General meeting attended/ eligible to attend
Mr. Man Hoi Yuen	5/5	0/1[(1)]
Ms. Ng Yuen Chun	5/5	1/1
Mr. Ho Chi Hong	5/5	1/1
Mr. Zheng Gang	1/1	0/0
Mr. Lin Zheng	1/1	0/0
Mr. Zheng Chenhui	1/1	0/0
Mr. Chen Jian	1/1	0/0
Mr. Chen Yidong	1/1	0/0
Mr. Chan Ka Yu	5/5	1/1
Dr. Lo Ki Chiu	5/5	1/1
Mr. Leung Wai Lim	5/5	1/1
Mr. Ma Hon Yiu	0/0	0/0

Note:

(1) Mr. Man Hoi Yuen did not attend the annual general meeting of the Company held on 26 August 2022 since he was not in Hong Kong at that time.

BOARD COMMITTEES

To facilitate the work of the Board, the Board has established three Board committees to oversee specific aspects of the Company's affairs, namely the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**"). Each Board committee has its own terms of reference relating to its authority and duties, which have been approved by the Board and are reviewed periodically. The terms of reference of each committee are available on the websites of the Company and the Stock Exchange.

Each Board committee has been provided with sufficient resources to discharge its duties and, upon reasonable request, is able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Audit Committee

The Company established the Audit Committee with written terms of reference in compliance with the CG Code. The primary roles of the Audit Committee include, but are not limited to, (a) making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (b) monitoring the integrity of our financial statements and annual reports and accounts, half-yearly reports and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgments contained in them; and (c) reviewing our financial controls, internal control and risk management systems.

The Audit Committee consists of three members who are all independent non-executive Directors, namely, Mr. Chan Ka Yu, Dr. Lo Ki Chiu and Mr. Leung Wai Lim. Mr. Chan Ka Yu is the chairman of the Audit Committee.

During the Review Year, the Audit Committee held two meetings and the attendance record of each member of the Audit Committee is set out below:

	Number of meeting attended/ eligible to attend
Mr. Chan Ka Yu *(Chairman)*	2/2
Dr. Lo Ki Chiu	2/2
Mr. Leung Wai Lim	2/2

The following is a summary of the work performed by the Audit Committee for the Review Year:

- reviewed the annual results of the Group for FY2022 and the interim report of the Group for the six months ended 30 September 2022;
- reviewed the Group's financial information, financial reporting system, risk management and internal control procedures;
- reviewed the Company's auditors' independence and objectiveness;
- made recommendations to the Board on the re-appointment of the Company's external auditors;
- reviewed the Company's external auditors' management letter, significant findings and recommendations;
- reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- reviewed and discussed the reports from the Company's external consultant with the management; and
- met with the Company's external auditors, in the absence of the management.

There had been no disagreement between the Board and the Audit Committee during the Review Year and up to the date of this report.

Remuneration Committee

The Company established the Remuneration Committee with written terms of reference in compliance with the CG Code. The primary roles of the Remuneration Committee include, but are not limited to, (a) making recommendations to the Board on our policy and structure for the remuneration of all of our Directors and senior management personnel and on the establishment of a formal and transparent procedure for developing remuneration policy; (b) reviewing and approving our management's remuneration proposals with reference to the Board's corporate goals and objectives; (c) making recommendations to the Board on the remuneration of the Directors and senior management; and (d) reviewing and approving matters relating to share schemes under chapter 17 of the Listing Rules.

The Remuneration Committee consists of three independent non-executive Directors, namely Mr. Leung Wai Lim, Mr. Chan Ka Yu and Dr. Lo Ki Chiu. Mr. Leung Wai Lim is the chairman of the Remuneration Committee.

The remuneration of the Directors and senior management is determined with reference to the responsibilities, workload, the time devoted and the performance of the Group. The Remuneration Committee also ensures that no individual will be involved in determining his own remuneration.

During the Review Year, the remuneration of senior management is listed as below by band:

Band of remuneration (HK$)	No. of person
HK$Nil–HK$1,000,000	2
HK$1,000,001–HK$2,000,000	0

Further details of the Directors' and chief executives' emoluments and the five highest paid individuals is set out in notes 12 and 13 to the consolidated financial statements.

During the Review Year, the Remuneration Committee held two meetings and the attendance record of each member of the Remuneration Committee is set out below:

	Number of meeting attend/ eligible to attend
Mr. Leung Wai Lim *(Chairman)*	2/2
Mr. Chan Ka Yu	2/2
Dr. Lo Ki Chiu	2/2

The following is a summary of the work performed by the Remuneration Committee during the Review Year:

- considered the remuneration paid to Directors and senior management with reference to their responsibilities, workload, the time devoted and the performance of the Group, as well as remuneration paid by other comparable listed companies;

- reviewed and made recommendations on the management remuneration proposals with reference to the corporate goals and objectives of the Board; and

- made recommendations to the Board on the remuneration of independent non-executive Directors.

Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with the CG Code. The primary roles of the Nomination Committee include, but are not limited to, (a) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement our corporate strategy; (b) identifying individuals suitably qualified to become the Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; and (c) assessing the independence of our independent non-executive Directors.

The Nomination Committee consists of an executive Director, namely Mr. Man Hoi Yuen and two independent non-executive Directors, namely Mr. Chan Ka Yu and Mr. Leung Wai Lim. Mr. Man Hoi Yuen is the chairman of the Nomination Committee.

During the Review Year, the Nomination Committee held two meetings and the attendance record of each member of the Nomination Committee is set out below:

	Meeting attended/ Meeting convened
Mr. Man Hoi Yuen *(Chairman)*	2/2
Mr. Chan Ka Yu	2/2
Mr. Leung Wai Lim	2/2

The Nomination Committee had reviewed the Board Diversity Policy and reported on the Board's composition under diversified perspectives and had monitored the implementation of the Board Diversity Policy.

The Company has adopted a nomination policy which sets out the nomination procedures for selecting candidates for election as Directors. Such policy is adopted by the Board and managed by the Nomination Committee. The Nomination Committee shall review the curriculum vitae to assess whether the potential candidate is 'fit and proper' for the appointment and can meet the requirements of relevant rules and regulations before recommendation is made to the Board.

The Nomination Committee had also recommended to re-elect Mr. Man Hoi Yuen, Mr. Zheng Gang, Mr. Lin Zheng, Mr. Zheng Chenhui, Mr. Chen Jian, Mr. Chen Yidong, Mr. Chan Ka Yu and Mr. Ma Hon Yiu as Directors at the forthcoming annual general meeting of the Company.

DIRECTORS' AND AUDITORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group. The Directors also acknowledge their responsibility to ensure the financial statements are published in a timely manner. The Directors are not aware of any material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The auditors' reporting responsibilities are set out in the section headed "Independent Auditor's Report" in this report.

AUDITORS' REMUNERATION

For the Review Year, the fee paid/payable to Grant Thornton Hong Kong Limited by the Group is set out as follows:

	HK$
Audit services	674,000
Non-audit services	150,000

The amount of fee incurred for the non-audit services represented HK$150,000 of the service fee paid to Grant Thornton Hong Kong Limited in relation to the review of financial information. The Audit Committee was satisfied that non-audit services for the Review Year did not affect the independence of the auditors.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the Company's risk management and internal control systems, and for reviewing its effectiveness.

In meeting its responsibility, the departmental heads of the Group have to complete a risk management and internal control self-assessment questionnaires, identify and evaluate those significant risks and confirm to the management that appropriate internal control policies and procedures have been established and properly complied with. The management then reviewed the findings and summarised all material issues to the Board and the Audit Committee annually.

The Group has established guidelines and procedures for the approval and control of expenditures, to ensure the reliability of the financial reporting, effectiveness and efficiency of operation and the compliance with applicable laws and regulations. Whilst these guidelines and procedures are designed to identify, monitor, report and follow up on risks that could adversely impact the achievement of the Group's business objectives, they do not provide absolute assurance against material mis-statement, errors, losses, fraud or non-compliance.

Although the Company does not have internal audit function, the Board has put in place adequate measures to perform the internal audit function at different aspects of the Group. The Company had engaged Keypoint Consulting Limited to review the effectiveness and efficiency of the Group's risk management and internal control systems in relation to the financial, operational and compliance controls, and the results were summarised and discussed with the Audit Committee and the Board. The Audit Committee and the Board are satisfied with the effectiveness and adequacy of the risk management and internal control systems of the Group.

INSIDE INFORMATION POLICY

The Company has established policy for ensuring that inside information is disseminated to the public in an equal and timely manner in accordance with applicable laws and regulations. Procedures such as limit access to inside information to those who need to know and requiring external parties to execute confidentiality agreement have been implemented by the Company to guard against mishandling of inside information. The Company also reminds those relevant personnel and other professional parties to preserve confidentiality of the inside information until it is publicly disclosed.

COMPANY SECRETARY

The Company has appointed Mr. Siu Wing Kin, who is responsible for facilitating the Board process, as well as communications among the Directors, with shareholders and management. Mr. Siu has confirmed that for the Review Year, he has taken no less than 15 hours of professional training to upgrade his skills and knowledge. The biography of Mr. Siu is set out in the section headed "Biographical Details of the Directors and Senior Management" in this report.

SHAREHOLDERS' RIGHTS

Procedures for Convening General Meetings by Shareholders

Pursuant to article 58 of the Restated Articles, the Board may, whenever it thinks fit, convene an extraordinary general meeting.

Extraordinary general meetings shall also be convened on the requisition of one or more shareholder holding, at the date of deposit of requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings.

Such requisition shall be made in writing to the Board or the company secretary of the Company by mail at Unit 3, 32/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for Putting Forward Proposals at Shareholders' Meeting

There are no provisions in the Restated Articles or the Companies Law of the Cayman Islands for shareholders to put forward new resolutions at general meetings. Shareholders who wish to put forward a new resolution may request the Company to convene a general meeting in accordance with the procedures set out in the above paragraph heading "Procedures for Convening General Meetings by Shareholders".

Pursuant to article 85 of the Restated Articles, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The period for lodgment of the notices required will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

Procedures by which Enquiries may be Put to the Board

The Group values feedback from shareholders on its efforts to promote transparency and foster investor relationship. Shareholders are welcomed to send their enquiries to the Board by post to the principal place of business set out in the section headed "Corporate Information" in this report.

INVESTOR RELATIONS

The Board strives to maintain on-going dialogue with shareholders and the investment community, the Company has established a shareholders' communication policy to set out the Company's procedures in providing the shareholders and investment community with ready, equal and timely access to balanced and understandable information about the Company.

Latest information on the Group including, but not limited to annual and interim reports, circulars, announcements and notices of annual general meetings are updated on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.yield-go.com).

In addition, the Company regards the annual general meeting as the primary forum for communication by the Company with its shareholders and for shareholder participation. Shareholders are encouraged to attend the annual general meeting, where all Board members and external auditors are available to answer questions on the Group's business.

The 2023 annual general meeting will be held on Monday, 21 August 2023, the notice of which shall be sent to the shareholders of the Company at least 21 clear days prior to the meeting.

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

A special resolution has been passed at the annual general meeting of the Company on 24 June 2022 to adopt the Restated Articles in order to comply with the Listing Rules.

A copy of the Restated Articles is posted on the designated websites of the Stock Exchange and the Company.

Environmental, Social and Governance Report

REPORTING SCOPES AND PRINCIPLES

The Group is a well-established fitting-out contractor based in Hong Kong, having decades of history since the establishment of its first entity, Hoi Sing Decoration, in 1995. The Group recognises the importance of caring for the environment and society and being responsible for the impact of its corporate governance practices. The Group values its commitment to its community and aims to achieve a sustainable business model while also striving for business growth and financial gains. To provide an overview of its practices and performances in these areas, the Group presents this Environmental, Social, and Governance Report (the "**Report**"), highlighting the compliance with relevant laws and the implementation of internal policies.

The Group mainly functions as a project manager and primary coordinator for various projects. We strategically subcontract labour-intensive work to our trusted partners. Our Group oversees every aspect of a project, including planning, coordination, monitoring, supervision of project progress and budget, and rectification of defects during the defects liability period. The Report covers all major operational processes of our Group. Due to our role in projects, the energy and resource consumption data included in the Report primarily come from our office activities and vehicle usage.

The preparation of the Report was compiled by the Environmental, Social, and Governance Reporting Guide in Appendix 27 of the Listing Rules ("**ESG Reporting Guide**"). It contains information and data on material environmental and social issues relevant to the Group's primary business of fitting-out works for the year ended 31 March 2023 (the "**Review Year**") as well as those for the year ended 31 March 2022 (the "**Previous Year**") for comparison purposes. The Group's sustainability team collected and organised its original consumption data from internal documents and utility bills with the support of the Company's senior management team and approval from the Board. They then passed the information to ESG consultants to calculate and quantify the Group's ESG key performance indicators ("**KPI**"s), adhering to the ESG Reporting Guide. In the end, the Report was prepared based on the following principles: materiality, quantitative, balance, and consistency.

Materiality refers to the Group's engagement with stakeholders to identify and prioritise ESG-related issues that have significant impacts on the economy, environment, and society. Further information on stakeholder engagement and materiality assessment can be found in the relevant sections of the Report.

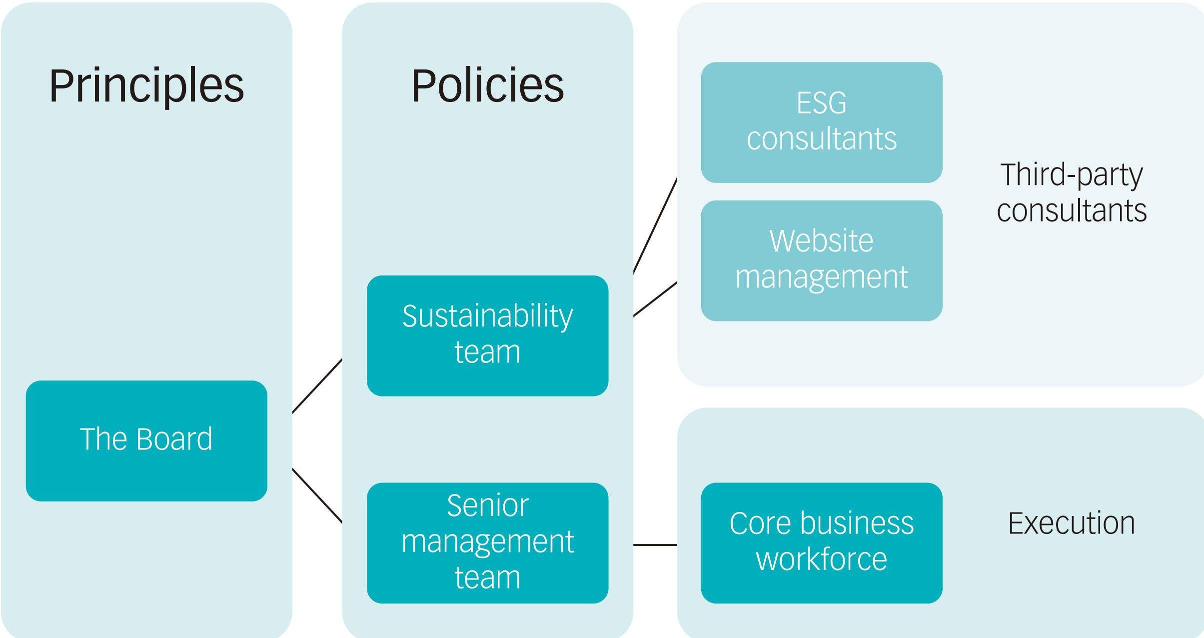
The ESG key performance indicators in the report are supported by quantitative data and measurable criteria, closely following ESG Reporting Guide. Applicable data sources, calculation tools, methodologies, references, and conversion factors used are disclosed in the presentation of emission data, where relevant.

The Report provides a complete, fair, clear, and comparable overview of the Group's ESG policies and performance, ensuring balance.

Finally, to enable the comparison of the Group's ESG performance from year to year, the reporting and calculation methodologies are consistently applied, with any significant changes in methodologies disclosed in detail in the corresponding report sections.

GOVERNANCE STRUCTURE

The Group's ESG Governance Structure:



A Message from the Board

The chart above illustrates the governance structure for ESG matters within the Group. The Board of Directors is responsible for establishing ESG principles, monitoring their implementation, and assessing outcomes. ESG goals, strategies, and policies are examined and approved by the Board, while the sustainability team, aided by outsourced consultants, like ESG consultants and website management professionals, incorporates ESG principles into the Group's operations, ensures transparency of information, and reports directly to the Board. The Company's senior management team oversees the implementation of ESG policies among the core business workforce. The Board periodically reviews ESG performance and instructs the sustainability team to adjust strategies as needed.

During the Review Year, the Company's major ESG targets are to control its energy consumption and maintain it at a stable level as compared to the previous year; as well as to provide stable employment for our staff under a turbulent economic environment. Steps taken to meet these goals are stated in the following sections of the Report. The Board has reviewed the Report and is under the impression that it meets the requirements of the ESG Reporting Guide. The Board considers the Group's ESG targets generally met, with a few exceptions in environmental KPIs, requiring improvements in the coming year.

STAKEHOLDERS' COMMUNICATION MATERIALITY ASSESSMENT

The Group acknowledges the significance of engaging with various stakeholders to comprehend their needs and aspirations across different aspects. Consequently, the Group has established platforms enabling stakeholders to express their demands and concerns about the Group's business operations and performances concerning environmental, social, and governance aspects. The Group's primary stakeholders encompass shareholders and investors, government and regulatory bodies, customers, employees, communities, and media. Their expectations and communication channels are outlined in the table below.

Major stakeholders	Demands and expectations	Communication channels
Shareholders and investors	– Return on investment – Corporate governance structure – Prevention of operational risks – Information disclosure and transparency	– Company announcements – General meetings – Annual reports and interim reports – Company's website
Government and regulatory bodies	– Compliance with laws and regulations – Production safety – Energy consumption – Resources conservation – Fulfilment of corporate social responsibilities	– Supervision and evaluation – ESG Report – Inspection – Filings
Customers	– High-quality services – Timely delivery of projects – Data security – Established communication channels – Quality control	– Business communication – Customer feedback
Employees	– Lawful and equal employment practices – Protection of employee rights and interests – Improvement in employee remuneration and welfare – Career development	– Staff meetings and activities – Staff training – Recruitment
Communities	– Community involvement – Environmental protection – Promoting local economy and providing jobs	– Communication with communities and the government – Charity activities – Company's website

During the Review Year, based on the communication with all stakeholders, the Company conducted a thorough internal materiality assessment to identify and evaluate ESG-related concerns and priorities shared by the Group and its stakeholders. This assessment was carried out to develop a strategy that targets the most significant impacts of the Group effectively.

Among the identified concerns, emissions and resource usage, as the Group's primary fitting-out business contributes to environmental pollution, were considered the most critical to most stakeholders and the Group. Additionally, employment practices and protection of employee rights were deemed important, particularly to employees and government and regulatory bodies.

ENVIRONMENTAL POLICIES AND PERFORMANCES

Climate Change and Us

As the fitting-out works done by the Group usually take place on clients' sites and various jobs are subcontracted to suppliers, the Group's documented direct impact on the climate is insignificant. However, the fitting-out industry as a whole is known to consume substantial amounts of energy and resources, leading to significant greenhouse gas emissions. The production of construction materials, transportation of goods, and energy consumption during construction and renovation projects are all significant contributors to climate change.

Climate change also has a direct impact on the Group's operations. As extreme weather events become more frequent, the Group's construction projects are susceptible to disruption, delay, and damage, leading to cost overruns and lower profits. Additionally, climate change regulations and policies may increase the Group's compliance costs, affecting its financial performance.

To stay up-to-date on climate-related issues, the Group's sustainability team and senior management review environmental study reports and news. To address the impacts of climate change, the Group needs to adopt a sustainable and environmentally responsible approach to its operations. This can be achieved by implementing energy-efficient practices, adopting sustainable building materials, and reducing waste generation.

Our General Environmental Practices and Compliance with Laws and Regulations

The Group acknowledges its environmental responsibility and adheres to applicable laws and regulations, considering environmental implications in every business decision made. In the Review Year, the Group was fully compliant with all relevant environmental laws and regulations, with no incidents of non-compliance.

The Group has implemented internal guidelines to encourage its staff to minimise unnecessary electricity and water consumption, reduce waste at the source, and motivate environmental consciousness. On project sites, the project management team supervises subcontractors to comply with environmental rules for fitting-out works, such as noise control, use of green building materials, indoor air quality, waste reduction and disposal, and water consumption reduction.

- Noise control – limiting working hours for heavy machinery to comply with legal requirements and using noise reduction tools if necessary to control noise pollution

- Use of green building materials – recommending the use of environmentally-friendly materials for walls, windows, doors, carpets, etc., and chemicals with lower levels of pollutants to reduce the impact on the environment

- Indoor air quality – isolating areas that produce high concentrations of dust to maintain proper indoor air quality and ventilation

- Waste reduction and disposal – encouraging waste reduction and appropriate disposal of construction waste while also reusing building tools to minimize waste generation

- Water consumption reduction on-site – reminding subcontractors to close all taps after use to reduce water consumption, even though the amount of water used in fitting-out work is relatively small

The Group will continue to monitor and reduce its environmental impact while maintaining a balance between business development and environmental protection.

Greenhouse Gas Reduction and Air Pollution Control

The Group's business operation induces the emission of air pollutants as well as greenhouse gas (GHG) in the forms of carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O), both directly and indirectly. For ease of reference, the amount of methane nitrous oxide was converted into carbon dioxide equivalent and counted as GHG emissions per ESG Reporting Guide. The use of vehicles for material transportation is the major contributor to the Group's direct GHG emission and air pollutant generation. While the indirect GHG emission mainly comes from electricity consumption at offices. As our project sites are not solely under our management, limitations in recording all material usage and pollutant emissions prevent us from including project sites in our carbon footprint calculations. The table below demonstrates the Group's GHG emissions and key air pollutants data recorded from our offices and transportation:

	For the year ended 31 March			
	2023		2022	
	Key emissions	**Key emissions intensity (per million dollars of revenue)**	Key emissions	Key emissions intensity (per million dollars of revenue)
Direct GHG emissions (Scope 1) (kg in CO_2 equivalent)	**6,067**	**29.47**	6,815	29.35
Indirect GHG emissions (Scope 2) (kg in CO_2 equivalent)	**10,981**	**53.33**	10,298	44.35
Total GHG emissions (kg in CO_2 equivalent)	**17,048**	**82.80**	17,113	73.70
NO_x (g)	**67**	**0.33**	117	0.51
SO_x (g)	**34**	**0.16**	38	0.16
PM (g)	**5**	**0.02**	9	0.04

During the Review Year, the total consumption of fuel and usage of vehicles significantly decreased, resulting in a major drop in total pollutant emissions, except for a slight increase in electricity consumption which contributed to the mild increase in indirect GHG emission. In the meantime, the Group continued to optimise its energy efficiency, which allowed the Group to maintain most of its emission intensity at relatively stable levels.

Waste Control

The Group's office operation produces some municipal solid waste, which is non-hazardous in nature. These wastes were disposed of at our office building and handled by the local municipal management. As they are insignificant in amount and no waste tracking system was set up in the building, there was no record of the exact amount. The Group's office operation doesn't generate hazardous waste. The Group asks its employees to practice caution when consuming materials and discharging wastes, aiming for green office operation.

Use of Resources

As a fitting-out service provider, the resources needed for the Group's operation mainly include unleaded petrol for the vehicles, electricity and paper used in the offices, while no packaging materials were involved. The Group's offices use water supplied by the city through the water tap in the building. Since the building does not issue separate water bills for each office, there was no record of the exact amount of water used. However, due to its nature, we believe the amount used is rather insignificant. The Group did not have difficulties sourcing water during the Review Year.

The table below demonstrates the Group's resource usage:

	For the year ended 31 March			
	2023		2022	
	Resources Usage	**Usage intensity (per million dollars of revenue)**	Resources Usage	Usage intensity (per million dollars of revenue)
Unleaded petrol (L)	**2,281**	**11.08**	2,562	11.03
Electricity from CLP (kWh)	**22,458**	**109.07**	21,346	91.93
Total energy consumption (kWh)	**44,564**	**216.44**	46,175	198.86
Paper (kg)	**463**	**2.25**	500	2.15

For the Review Year, the Group's energy consumption mainly included unleaded petrol and energy purchased from CLP Power Hong Kong. We were able to keep our usage of vehicles at minimum levels, resulting in further reduction in petrol consumption and intensity. However, with more employees returning to the offices, our electricity consumption increased. Per ESG Reporting Guide, we consolidated these into total energy consumption expressed in kWh and this year's data showed a mild decrease.

HUMAN RESOURCES

Our General Employment Practices and Compliance with Laws and Regulations

The Group abides by all legal regulations and has implemented internal policies to safeguard the rights and interests of both employees and job candidates. The Employment Ordinance of Hong Kong is strictly adhered to, and the hiring of forced labour and underage individuals is strictly prohibited. All employees must provide proof of age and qualifications prior to being hired, and only those with the appropriate licenses are considered for certain regulated positions. The Group's internal guidelines specify that if any forced or child labour is discovered among its workforce, the hiring personnel and their supervisors will be held responsible, and such illegal labour practices will be terminated immediately.

Detailed categorisation and the number of full-time employees are laid out in the table below:

	For the year ended 31 March	
	2023	2022
By Job Function		
Management	**20**	14
Administration	**12**	13
Supervisors	**21**	22
Others (Janitorial)	**5**	7
By Gender		
Male	**46**	42
Female	**12**	14
By Age Group		
≤30	**3**	5
31–40	**19**	19
41–50	**19**	20
51–60	**15**	12
≥61	**2**	0
By Employment Location		
Hong Kong	**58**	56
Total	**58**	56

The table below sets the employee turnover rate by gender, age group, and geographical region for the Review Year and the Previous Year, respectively:

	For the year ended 31 March	
	2023	2022
By Gender		
Male	**7%**	19%
Female	**17%**	7%
By Age Group		
≤30	**0%**	60%
31–40	**16%**	16%
41–50	**5%**	5%
51–60	**7%**	17%
≥61	**0%**	N/A
By Employment Location		
Hong Kong	**9%**	16%
Total	**9%**	16%

For the Review Year, the Group's total employee turnover rate was significantly lower than that of the Previous Year. The resignees were working in the Group as administrators, supervisors and janitors. We implemented a series of measures to retain our senior management and other back-office employees as well as the frontline workers. These measures include attractive remuneration packages, equal promotion opportunities, and sufficient training and safe work environments, which are set out in the sections of the Report to follow.

Equal Opportunities

The Group is committed to creating a workplace culture that upholds equality and diversity. Discrimination based on age, race, religion, gender, sexual orientation, or physical disabilities is strictly prohibited, and personal merit and professional competence are the only factors considered in evaluating employment, promotion opportunities, or remuneration. The Group's fair employment practices have resulted in a relatively diverse employee proportion in terms of age groups ranging from below 30 up to 60. However, due to the nature of the Group's industry, there are more male than female employees. Despite this, the Group has not received any complaints regarding unequal employment or treatment.

The Group's commitment to equal opportunities is not limited to the hiring process. The Group also ensures that all employees have the same opportunities to grow and develop their careers, regardless of their background or identity. The Group provides training and development programs to help employees enhance their skills and knowledge, and progress in their careers. These programs are tailored to meet the different needs of each group of employees and their job functions. The Group also encourages employees to give feedback and suggestions to improve the training and development programs, as part of its commitment to continuous improvement. More about employee training will be discussed in the sections to follow.

By embracing diversity and providing unbiased opportunities, the Group can tap into a broader range of talents, experiences, and perspectives. This, in turn, leads to innovation and better decision-making. The Group's senior management team is committed to promoting diversity and inclusion, and they regularly review the Group's policies and practices to ensure that they align with this commitment.

Remuneration and Benefits

The Group's policies regarding remuneration and employee benefits adhere to the employment law in Hong Kong, which includes the Minimum Wage Ordinance, Mandatory Provident Fund Schemes Ordinance, and other relevant regulations that ensure employees receive statutory holidays, reasonable working hours, sufficient rest days, payroll, and leave to dismissal.

However, the Group goes beyond these regulations to show that we value our employees and consider them our greatest asset. We believe that by offering attractive remuneration packages, we can boost employee motivation and overall job satisfaction. The Group ensures that salaries and benefits are regularly adjusted according to performance appraisals.

In addition to competitive compensation, the Group provides a friendly working environment that promotes work-life balance. Employees are granted sufficient rest days to take care of their personal lives outside of work. Overall, the Group is committed to supporting our employees' well-being and ensuring they are rewarded fairly for their contributions.

Employee Development and Training

The Group offers assistance in enhancing the professional knowledge of our staff members based on their job requirements, particularly for those who are employed in frontline positions, as it is crucial to equip them with safety knowledge to safeguard them against work-related injuries. Throughout the Review Year, our team arranged training sessions and seminars to educate and inform our employees about preventive knowledge and protective skills necessary for working at construction sites. These initiatives aimed to ensure that our staff was well-equipped with the necessary knowledge and skills to protect themselves at the workplace.

The table below shows a breakdown of the number of training session attendances by categories:

	For the year ended 31 March					
	2023			2022		
	Total number of employees trained	**The average training hours completed per employee**	**Percentage of employees trained**	Total number of employees trained	The average training hours completed per employee	Percentage of employees trained*
By gender						
Male	**9**	**1.16**	**56%**	9	0.75	56%
Female	**7**	**1.02**	**44%**	7	0.75	44%
By job function						
Management	**5**	**1.06**	**31%**	4	0.75	25%
Administration	**11**	**1.11**	**69%**	12	0.75	75%
Supervisors	**0**	**0**	**0%**	0	0	0
Janitors	**0**	**0**	**0%**	0	0	0

* The percentages of employees trained during the year ended 31 March 2022 have been updated adopting the latest calculating method following the ESG Guide, which is by dividing the total number of employees trained in each category by the total number of employees trained.

OCCUPATIONAL HEALTH AND SAFETY

The Group's full-time employees are mostly not working on construction sites, so the risk of occupational health and safety hazards is relatively low. However, we prioritise educating our employees on risk awareness and maintaining high safety standards in offices and project sites. During Hong Kong's COVID-19 outbreak, we implemented special work schedules to reduce the risk of infection and protect employee health. For fitting-out projects, we have established safety policies that are regularly updated according to industry guidelines and regulations. Before each project, our team ensures safety and legality by verifying necessary licenses and approvals, such as those required for scaffolding structures. On-site workers and subcontractors are covered by insurance in case of accidents or work-related injuries.

We also offer seminars to our employees covering various safety topics, including working under Very Hot Weather Warnings, electrical safety, on-site fire safety, use of electrical hand tools, work at height safety, manual handling operation safety, pre and post-work safety, and personal protective equipment (PPE).

The table below summarises the Group's safety data recorded during the last three years:

	For the year ended 31 March		
	2023	2022	2021
Number of injuries from occupational accidents	**0**	1	1
Number of fatalities due to occupational accidents or diseases	**0**	0	0
Number of working days lost due to occupational injuries	**0**	0	0

GENERAL OPERATING PRACTICES

Supplier and Subcontractor Management

Operating in the fitting-out industry, the Group places high importance on supplier and subcontractor management to ensure the quality of raw materials and the legitimacy of subcontractors. To uphold safety standards and minimise environmental impact, the Group has established workflow procedures to monitor the integrity of all subcontracted projects. The Group's approved suppliers' list is regularly updated after conducting a thorough investigation into potential suppliers, and criteria such as price, product quality, punctuality in delivery, and past business relationships are evaluated. These selecting and reviewing procedures are applied to all suppliers and subcontractors of the Group. The Group also prioritises protecting its intellectual property rights while fully respecting those of its suppliers and subcontractors.

To avoid relying solely on a small number of partners, the Group maintains relationships with multiple material suppliers and offers jobs to subcontractors on a project basis to encourage competition. This approach enables the Group to evaluate and select the best suppliers and subcontractors for each project based on various criteria. Overall, the Group's supplier and subcontractor management policies aim to ensure the highest quality standards, minimise risks, and protect the Group's and its clients' rights.

The table below shows a breakdown of the Group's suppliers.

	For the year ended 31 March	
By geographic location	**2023**	2022
PRC	**2**	2
Hong Kong	**44**	52
Total	**46**	54

Project Responsibilities

The Group, as a fitting-out contractor, typically incorporates a defects liability period in its contracts, which lasts for 12 to 18 months after the agreed completion date. This period allows for any defects or issues with the completed project to be identified and rectified by the Group at its own cost. In the event of any complaints or claims from customers during this period, the Group is responsible for remedying any defective works. Additionally, the cost incurred for any remedial works during this period was not significant. The Group takes its project liabilities seriously and strives to deliver high-quality work to its clients. As a result, in the Review Year, the Group did not receive any significant complaints or claims from customers regarding the completed projects within the defects liability period.

Retention Money

Some of the Group's fitting-out contracts allow customers to retain part of their payment as retention money; for instance, 50% of the total payment is released upon completion of projects and the remaining is released upon the end of the defects liability period. The Group records such outstanding payments in the books as retention receivables.

Customers' Information Privacy

The Group abides by the Personal Data (Privacy) Ordinance of Hong Kong and ensures that all personal data collected is confidential and for internal use only. Responsible team members handle the collection of necessary customer information. The designated person for each project is responsible for internal communication and ensuring that sharing with outside parties only occurs with customer permission. Highly confidential information is properly stored and encrypted in our electronic system with anti-virus firewalls and information technology experts assigned to protect it.

Intellectual Property Management

As a reputable fitting-out contractor in Hong Kong, the Group recognises the importance of intellectual property and respects the rights of owners. The Group ensures that all intellectual property is legally obtained and used only for its intended purpose. Any use or reproduction of intellectual property is only done with the explicit consent of the owner. The Group also takes necessary measures to protect its own intellectual property, including patents, trademarks, and copyrights. By upholding these practices, the Group maintains its commitment to ethical and responsible business conduct.

ANTI-CORRUPTION

The Group takes a strong stance against corruption and upholds a commitment to fairness and integrity in all its business dealings. As a publicly listed company, it follows the Prevention of Bribery Ordinance in Hong Kong and has implemented anti-corruption protocols in its day-to-day operations. These protocols are communicated to all staff, and the responsible committees oversee compliance with the anti-corruption program, which is regularly updated to stay in line with relevant laws and regulations.

Even during the COVID-19 pandemic, the Group continues to prioritise its anti-corruption efforts, although it did not hold any specific training sessions for directors and employees during this period. The committee monitors internal audits and reviews to ensure that all parties are independent and that there are no conflicts of interest. Additionally, an anonymous whistleblowing channel is available to encourage employees to report any unethical behaviour they observe, which helps to maintain a strong culture of accountability and transparency throughout the organization.

The Group recognises the importance of preventing corruption in all aspects of its business and is committed to taking all necessary measures to uphold its high standards of corporate governance. During the Review Year, the Group recorded no incidents or reports on bribery, extortion, corruption, fraud, and money laundering.

COMMUNITY INVESTMENT

The Group has always been committed to giving back to the community. During the Review Year, the Group focused on helping the elderly and supporting children with special education needs.

In September 2022, the Group support a charity event titled Cantonese Opera for the Elderly, Welcoming Mid-Autumn Festival(慈善粵韻獻耆英迎中秋), which brought free livestream Cantonese Opera performances to the elderly in Hong Kong and made a donation of goods through various charity organisations. The Group's contribution to this event highlights its strong commitment to social responsibility and community involvement. By supporting this charity event, the Group has helped to enrich the cultural lives of the elderly and promote the preservation of traditional Cantonese Opera in Hong Kong.

In addition, in March 2023, the Group also supported the Professional Therapy Funding Scheme(專業治療資助服務) under the Island Scout Trail Walk 2023. The event is organised with the support of the Rotary Club of Hong Kong and the aim of the scheme is to fund the diagnosis and therapies for young children with development disorders and special education needs.

The Group firmly believes that its success is closely tied to the well-being of the community. As such, it remains committed to making positive contributions to society and actively seeks ways to support and give back to the community.

Directors' Report

The Board is pleased to submit this annual report together with the audited financial statements of the Group for the Review Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company, the principal activities of its principal subsidiaries are set out in note 14 to the consolidated financial statements.

RESULTS/BUSINESS REVIEW

The results of the Group for the Review Year are set out in the section headed "Consolidated Statement of Profit or Loss and Other Comprehensive Income" on page 59 in this report. The business review of the Group for the Review Year is set out in the section headed "Management Discussion and Analysis" on pages 6 to 12 in this report.

SHARE CAPITAL

Details of movement in the share capital of the Company during the Review Year are set out in note 26 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the Review Year are set out in the section headed "Consolidated Statement of Changes in Equity" on page 61 in this report.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2023, calculated under the Companies Law of Cayman Islands amounted to approximately HK$79.3 million.

FINAL DIVIDEND

The Board has reserved not to recommend the declaration of a final dividend for the Review Year (FY2022: nil).

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.

PROPERTY, PLANT AND EQUIPMENT

Details of movement in property, plant and equipment of the Group during the Review Year are set out in note 15 to the consolidated financial statements.

Directors' Report

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Restated Articles or the Laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CORPORATE GOVERNANCE

Information on the corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 22 to 33 in this report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Our Group makes best effort in protecting the environment during daily operation and by making conscious decisions when undertaking projects. Our Group's internal guidelines detail the reuse and recycling of resources such as paper and the minimisation of electricity and water consumption as means of environmental protection. Externally, waste generated by works done on site is usually not material. Our Group's project management team would select and thereafter supervise subcontractors' compliance with fitting-out works rules for each project in several aspects including but not limited to (i) noise control; (ii) use of green building materials; (iii) indoor air quality; and (iv) waste reduction and disposal.

During the Review Year, as far as the Board and the management are aware, there was no material breach of or non-compliance with relevant environmental laws and regulations by our Group that has material impact on the business and operation of our Group.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Review Year, as far as the Board and the management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by our Group that has material impact on the business and operation of our Group.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND SUB-CONTRACTORS

Employees

We generally recruit employees with the appropriate skills, both technical and personal, in order to meet our current and future needs and ensure that the employees appointed are qualified and competent to carry out their duties. We may remunerate our employees with a fixed salary and a discretionary bonus based on our Group's performance. Our employees' benefits also include a grant to fund further education which aims at enhancing our employees' personal development or equipping them with necessary knowledge and skills to perform their job duties. Our ability to attract, retain and motivate qualified personnel is critical to our success. We believe that we are able to attract, retain and motivate qualified personnel by offering competitive remuneration and benefits. With a compact team of energetic employees, we endeavour to provide services that exceed our customers' expectations, which we believe will help us secure new opportunities.

Customers

The Group are aware of the risk of customer concentration, and sought to reduce the reliance on major customer by undertaking more work projects from other customers. Our business relationship with major customers, industry experience and proven track record are essential to our major customers to ensure that we are capable of completing their projects on time and in accordance with their requirements. With our presence in the fitting-out industry, our Directors believe that we are able to extend our services to other customers.

Going forward, our management will continue to capture emerging business opportunities and focus on projects on a selective and prudent basis which are profitable and sizeable in nature to maximise benefits to our Group as a whole.

Suppliers and Sub-contractors

The Group has developed stable and strong working relationships with suppliers and sub-contractors to meet the Group's customers' needs in an effective and efficient manner. Our fitting-out projects are monitored by a project management team which is responsible for the overall quality assurance of the project. Our project management team in each project generally conducts regular on-site inspections and arranges for regular meetings with our subcontractors, to ensure sufficient resources are allocated for each project, and that the works executed at each stage meet the requirements of our customers.

ANNUAL GENERAL MEETING ("AGM")

The 2023 AGM will be held at Unit 1203B, 12/F, World-Wide House, 18 Des Voeux Road, Central, Hong Kong on Monday, 21 August 2023. The notice of the AGM will be published and despatched to shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Wednesday, 16 August 2023 to Monday, 21 August 2023, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at 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 Tuesday, 15 August 2023.

Directors' Report

DIRECTORS

The Directors during the Review Year and up to the date of this report are:

Executive Directors:

Mr. Man Hoi Yuen *(Chairman)*
Ms. Ng Yuen Chun
Mr. Ho Chi Hong
Mr. Zheng Gang (appointed on 1 October 2022)
Mr. Lin Zheng (appointed on 1 October 2022)
Mr. Zheng Chenhui (appointed on 1 October 2022)

Non-executive Directors:

Mr. Chen Jian (appointed on 1 October 2022)
Mr. Chen Yidong (appointed on 1 October 2022)

Independent Non-executive Directors:

Mr. Chan Ka Yu
Dr. Lo Ki Chiu
Mr. Leung Wai Lim
Mr. Ma Hon Yiu (appointed on 30 December 2022)

In accordance with article 84 of the Restated Articles, at each annual general meeting, one third of the Directors for the time being will retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors who shall retire in each year will be those who have been longest in the office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

In accordance with article 83 of the Restated Articles, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with articles 83 and 84 of the Restated Articles, Mr. Man Hoi Yuen, Mr. Zheng Gang, Mr. Lin Zheng, Mr. Zheng Chenhui, Mr. Chen Jian, Mr. Chen Yidong, Mr. Chan Ka Yu and Mr. Ma Hon Yiu will retire as Directors by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to the Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

Details of Director's service contracts are set out in the section headed "Biographical Details of the Directors and Senior Management" on pages 13 to 21 in this report.

None of the Directors being proposed for re-election at the forthcoming AGM has a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

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.

NON-COMPETITION UNDERTAKING

Each of the controlling shareholders and the executive Directors has made an annual declaration to the Company that he/she/it has complied with the terms of non-competition undertakings ("**Non-Competition Undertakings**") given in favour of the Company. The independent non-executive Directors have also reviewed the status of compliance by each of the controlling shareholders and executive Directors with the undertakings stipulated in the Non-Competition Undertakings and have confirmed that, as far as the independent non-executive Directors can ascertain, there is no breach of any of such undertakings.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements in this report and the Prospectus, is set out on page 108 in this report.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance coverage for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising from corporate activities.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

No Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Review Year.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as otherwise disclosed, no contract of significance to which the Company, its holding companies, or any of its subsidiaries was a party, and in which the controlling shareholders of the Company had a material interest, either directly or indirectly, subsisted or at any time during the Review Year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Review Year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management of the Group are set out in the section headed "Biographical Details of the Directors and Senior Management" on pages 13 to 21 in this report.

EMOLUMENT POLICY FOR DIRECTORS

The Remuneration Committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group.

The Remuneration Committee recommends Directors' remuneration to the Board by reference to the benchmarking of the market. The Company also looks into individual Director's competence, duties, responsibilities, performance and the results of the Group in determining the exact level of remuneration for each Director.

DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' and chief executives' emoluments and the five highest paid individuals are set in notes 12 and 13 to the consolidated financial statements.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND THE ASSOCIATED CORPORATIONS

As at 31 March 2023, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the SFO), which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which, pursuant to section 352 of the SFO, have been entered in the register referred to therein, or have been, pursuant to the Model Code, notified to the Company and the Stock Exchange, were as follows:

Long Position in Our Shares

Name of Director	Capacity/Nature of interest	Number of Shares held(1)	Percentage of shareholding
Mr. Man Hoi Yuen(2)	Interest in a controlled corporation	360,000,000 (L)	75%
Ms. Ng Yuen Chun(3)	Interest of spouse	360,000,000 (L)	75%
Mr. Chen Yidong(4)	Interest in controlled corporation	360,000,000 (L)	75%

Notes:

(1) The letters "L" denotes the respective "long position" (as defined under Part XV of the SFO) of the relevant person/entity in such Shares.

(2) Hoi Lang Holdings Ltd. held 75% of the total issued share capital of our Company and Hoi Lang Holdings Ltd. was in turn owned by Mr. Man Hoi Yuen (our executive Director and chairman of our Board), Ms. Ng Yuen Chun (our executive Director) and Mr. Ho Chi Hong (our executive Director and our chief executive officer) as to 50%, 30% and 20%, respectively.

(3) Ms. Ng Yuen Chun is the spouse of Mr. Man Hoi Yuen. Therefore, Ms. Ng Yuen Chun and Mr. Man Hoi Yuen are deemed or taken to be interested in the Shares held by Hoi Lang Holdings Ltd. under the SFO.

(4) Master Success held 75% of the total issued share capital of our Company and Master Success was in turn owned by Mr. Chen Yidong (our non-executive Director), Mr. Lin Zheng (our executive Director), Mr. Wang Kuan and Mr. Chen Jian (our non-executive Director) as to 46.67%, 29.33%, 12% and 12%, respectively. Therefore, Mr. Chen Yidong is deemed or taken to be interested in the Shares held by Master Success under the SFO.

Long Position in the Shares of Associated Corporation

Name of Director	Name of associated corporation	Capacity/Nature of interest	Number of shares held in the associated corporation[(1)]	Percentage of shareholding
Mr. Man Hoi Yuen	Hoi Lang Holdings Ltd.	Beneficial owner	50 shares (L)	50%
Ms. Ng Yuen Chun	Hoi Lang Holdings Ltd.	Beneficial owner	30 shares (L)	30%
Mr. Ho Chi Hong	Hoi Lang Holdings Ltd.	Beneficial owner	20 shares (L)	20%

Note:

(1) The letters "L" denotes the respective "long position" (as defined under Part XV of the SFO) of the relevant person/entity in the shares of the relevant associated corporation.

Save as disclosed above, as at 31 March 2023, none of the Directors had any interests or 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) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange under the Model Code.

INTERESTS OF SUBSTANTIAL AND OTHER SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As at 31 March 2023, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in Shares or underlying Shares which would fell to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Name of Shareholder	Capacity/Nature of interest	Number of Shares held[(1)]	Percentage of shareholding
Master Success[(2)]	Beneficial owner	360,000,000 (L)	75%
Hoi Lang Holdings Ltd.[(3)]	Security interest	360,000,000 (L)	75%

Notes:

(1) The letter "L" denote the respective "long position" (as defined under Part XV of the SFO) of the relevant person/entity in such Shares.

(2) Pursuant to a sale and purchase agreement (the "**Sale and Purchase Agreement**") dated 29 April 2022 entered into between Master Success as purchaser (the "**Purchaser**"), Mr. Chen Yidong, our non-executive Director and Mr. Lin Zheng, our executive Director as the Purchaser's guarantors, Hoi Lang Holdings Ltd. as vendor (the "**Vendor**"), and Mr. Man Hoi Yuen, our executive Director as the Vendor's guarantor, the Purchaser agreed to acquire and the Vendor agreed to sell an aggregate of 360,000,000 Shares. A promissory note (the "**Promissory Note**") was issued by the Purchaser and co-issued by Mr. Lin Zheng in favour of the Vendor for settlement of part of the consideration under the Sale and Purchase Agreement. The Purchaser executed a share charge (the "**Share Charge**") over the 360,000,000 Shares in favour of the Vendor to secure all its obligations under the Promissory Note. For further details, please refer to the announcement dated 11 May 2022 jointly issued by the Company and the Purchaser.

(3) Hoi Lang Holdings Ltd. held security interest in 360,000,000 Shares under the Share Charge and Hoi Lang Holdings Ltd. was in turn owned by Mr. Man Hoi Yuen (our executive director and chairman of our Board), Ms. Ng Yuen Chun (our executive director) and Mr. Ho Chi Hong (our executive director and chief executive officer) as to 50%, 30% and 20%, respectively.

Save as disclosed above, as at 31 March 2023, so far as the Directors were aware, none of the persons (other than the Directors or chief executives of the Company) had, or was deemed to have interests or short positions in the Shares and underlying Shares which were required to be recorded in the register of interests kept by the Company pursuant to section 336 of the SFO, and which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

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 attract and retain the best available personnel of the Group, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business 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 schemes shall not, in aggregate, exceed 48,000,000 Shares (representing 10% of the Shares in issue as at the date of this report), 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 2023.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

At no time during the Review Year and up to the date of this report was the Company or any of its subsidiaries or a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any body corporate.

MAJOR SUPPLIERS AND CUSTOMERS

The percentage of sales and purchases for the Review Year attributable to the Group's major customers and suppliers are as follow:

Sales

– the largest customer	79.5% (FY2022: 86.0%)
– five largest customers	99.6% (FY2022: 98.9%)

Purchases

– the largest supplier	23.9% (FY2022: 33.1%)
– five largest suppliers	64.1% (FY2022: 69.9%)

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the major customers or suppliers noted above.

RELATED PARTIES TRANSACTIONS

Details of the significant related party transactions undertaken in the normal course of business are set out in note 31 to the consolidated financial statements. One related parties transaction constituted exempted continuing connected transactions as a de minimis transaction under Rule 14A.76(1)(c) of the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

SUBSIDIARIES

Details of the subsidiaries of the Company are set out in note 14 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Save as disclosed in the paragraph headed "Change of controlling shareholder" in this report, 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 report.

RETIREMENT SCHEME

The Group participates in the mandatory provident fund prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). Save as the aforesaid, the Group did not participate in any other pension schemes during the Review Year.

AUDITORS

The consolidated financial statement for the Review Year have been audited by Grant Thornton Hong Kong Limited, who will retire and, being eligible, offer itself for re-appointment at the forthcoming AGM. There has been no change in the auditor of the Company during the Review Year.

DONATIONS

Charitable and other donations made by the Group during the Review Year amounted to approximately HK$11,000 (FY2022: HK$10,000).

EVENTS AFTER THE REVIEW YEAR

The Group did not have any other material subsequent events occurring after 31 March 2023 and up to the date of this report.

On behalf of the Board
Man Hoi Yuen
Chairman and executive Director

Hong Kong, 9 June 2023

Independent Auditor's Report

Grant Thornton
致同

To the members of Yield Go Holdings Ltd.
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Yield Go Holdings Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages 59 to 107, which comprise the consolidated statement of financial position as at 31 March 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current year. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	How the matter was addressed in our audit
Accounting for construction contracts	
(notes 2.7, 2.11, 4, 5 and 18 to the consolidated financial statements)	
We identified the revenue and costs from construction contracts amounting to approximately HK$205,872,000 and HK$193,750,000, respectively in the consolidated statement of profit or loss and other comprehensive income and related contract assets of approximately HK$127,929,000 and contract liabilities of approximately HK$2,735,000 in the consolidated statement of financial position as a key audit matter due to significant management judgements and estimation required in determining the percentage of completion of contract revenue and corresponding profit/loss margin incurred.	Our audit procedures in relation to the construction contracts included the following: • Understood and discussed with management the basis of estimation of budgets and the determination of the respective percentage of completion, and inspected, on a sample basis, the contract sum and key terms/conditions to respective signed contracts and budgets prepared by the management; • Assessed the reasonableness of key judgements inherent in the budgets by evaluating and recalculating the percentage of completion based on the latest budgeted costs and the actual costs incurred; • Tested, on a sample basis, the actual cost incurred to supporting documents including but not limited to the payment certificates and invoices; • Obtained, on a sample basis, the progress certificates issued by the customers, their appointed surveyors or other representatives to evaluate the reasonableness of the percentage of completion as at year end and discussed with management or the respective project managers on the progress of the project and actual costs incurred for works performed but not certified; and • Recalculated and evaluated the management's assessment on the estimated gross profit/loss margin and, compared to the latest budgeted and the actual gross profit/loss margin.

Independent Auditor's Report

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information included in the 2023 annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagements and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

9 June 2023

Chi-Kit Shaw
Practising Certificate No.: P04834

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2023

	Notes	2023 HK$'000	2022 HK$'000
Revenue	5	**205,872**	232,203
Direct costs		**(193,750)**	(222,313)
Gross profit		**12,122**	9,890
Other gains	6	**1**	148
Administrative and other operating expenses		**(24,882)**	(12,635)
(Provision)/Reversal for expected credit losses ("**ECL**") allowance on trade and other receivables and contract assets, net		**(396)**	3
Finance costs	7	**(5,508)**	(1,432)
Loss before income tax	8	**(18,663)**	(4,026)
Income tax credit	9	**–**	6
Loss and total comprehensive expense for the year attributable to equity holders of the Company		**(18,663)**	(4,020)
		HK cents	HK cents
Loss per share attributable to equity holders of the Company			
– Basic and diluted	11	**(3.89)**	(0.84)

The notes on pages 63 to 107 form an integral part of these consolidated financial statements. Details of dividend are disclosed in note 10 to the consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2023

	Notes	2023 HK$'000	2022 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	**190**	386
Right-of-use assets	16	**1,772**	912
		1,962	1,298
Current assets			
Trade and other receivables	17	**45,206**	30,208
Contract assets	18	**127,929**	155,667
Cash and bank balances	19	**17,087**	17,616
Restricted cash	20	**3,046**	3,046
Tax recoverable		**–**	11
		193,268	206,548
Current liabilities			
Trade and other payables	21	**24,439**	29,823
Contract liabilities	18	**2,735**	485
Borrowings	24	**–**	43,471
Amount due to a director	22	**–**	1,285
Lease liabilities	23	**927**	893
		28,101	75,957
Net current assets		**165,167**	130,591
Total assets less current liabilities		**167,129**	131,889
Non-current liabilities			
Borrowings	24	**48,000**	–
Interest payables		**5,097**	–
Lease liabilities	23	**850**	44
		53,947	44
Net assets		**113,182**	131,845
CAPITAL AND RESERVES			
Share capital	26	**4,800**	4,800
Reserves	27	**108,382**	127,045
Total equity		**113,182**	131,845

Mr. Man Hoi Yuen
Director

Mr. Ho Chi Hong
Director

The notes on pages 63 to 107 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2023

	Share capital HK$'000 *(note 26)*	**Share premium*** HK$'000 *(note 27)*	**Other reserve*** HK$'000 *(note 27)*	**Retained earnings*** HK$'000	**Total** HK$'000
Balance as at 1 April 2021	4,800	105,059	200	25,806	135,865
Loss and total comprehensive expense for the year	–	–	–	(4,020)	(4,020)
Balance as at 31 March 2022 and 1 April 2022	**4,800**	**105,059**	**200**	**21,786**	**131,845**
Loss and total comprehensive expense for the year	**–**	**–**	**–**	**(18,663)**	**(18,663)**
Balance as at 31 March 2023	**4,800**	**105,059**	**200**	**3,123**	**113,182**

* These reserve accounts comprise the consolidated reserves of approximately HK$108,382,000 (2022: approximately HK$127,045,000) in the consolidated statement of financial position.

The notes on pages 63 to 107 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2023

	Notes	2023 HK$'000	2022 HK$'000
Cash flows from operating activities			
Loss before income tax		**(18,663)**	(4,026)
Adjustments for:			
Depreciation of owned property, plant and equipment		**196**	198
Depreciation of right-of-use assets		**942**	940
Written off of retention receivable		**–**	307
Interest income		**(1)**	(1)
Interest expense	7	**5,508**	1,432
Provision for ECL allowance on trade and other receivables – net		**356**	7
Provision/(Reversal) for ECL allowance on contract assets – net		**40**	(10)
Operating loss before changes in working capital		**(11,622)**	(1,153)
(Increase)/Decrease in trade and other receivables		**(15,354)**	84,308
Decrease/(Increase) in contract assets		**27,698**	(88,937)
(Decrease)/Increase in trade and other payables		**(5,384)**	3,632
Increase/(Decrease) in contract liabilities		**2,250**	(13)
Cash used in operations		**(2,412)**	(2,163)
Income tax refund		**11**	65
Net cash used in operating activities		**(2,401)**	(2,098)
Cash flows from investing activity			
Interest received		**1**	1
Cash flows from financing activities			
Interest paid		**(411)**	(1,432)
Payment of lease liabilities		**(962)**	(924)
Proceeds from borrowings		**65,025**	174,371
Repayments of borrowings		**(60,496)**	(174,385)
Decrease in amount due to a director		**(1,285)**	(1,465)
Net cash generated from/(used in) financing activities		**1,871**	(3,835)
Net decrease in cash and cash equivalents		**(529)**	(5,932)
Cash and cash equivalents at beginning of the year		**17,616**	23,548
Cash and cash equivalents at end of the year	19	**17,087**	17,616

The notes on pages 63 to 107 form an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

Yield Go Holdings Ltd. (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 Company and its subsidiaries (collectively referred as the "**Group**") are principally engaged in fitting-out services and supply of fitting-out materials.

As at 31 March 2023, to the best knowledge of the Directors, the Company's immediate and ultimate holding company has been changed from Hoi Lang Holdings Limited ("**Hoi Lang**") to Master Success International Investment Limited ("**Master Success**"), a company incorporated in the British Virgin Islands (the "**BVI**"), with effective from 29 April 2022.

The consolidated financial statements for the year ended 31 March 2023 were approved for issue by the Board of Directors on 9 June 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 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.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on sales of intra-group asset are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss. Cost includes direct attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2.3 Foreign currency translation

The consolidated financial statements are presented in HK$, which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in the profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date).

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK$. Assets and liabilities have been translated into HK$ at the closing rates at the reporting date. Income and expenses have been converted into the HK$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on property, plant and equipment is recognised so as to write off the cost of asset, less their residual values over their estimated useful lives or lease term, using the straight-line method, at the following rates per annum:

Furniture, fixtures and office equipments	20%
Motor vehicle	30%
Leasehold improvement	Over the lease terms

The accounting policy for depreciation of right-of-use assets is set out in note 2.8.

Estimates of residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain or loss arising on retirement or disposals is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in the profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

2.5 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. Financial liabilities are derecognised when it is extinguished, discharged, cancelled or expires.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Financial instruments (Continued)

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15, all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss ("**FVTPL**"), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of profit or loss and other comprehensive income.

Financial assets are classified into the following categories:

– amortised cost;

– FVTPL; or

– fair value through other comprehensive income ("**FVOCI**").

The classification is determined by both:

– the entity's business model for managing the financial asset; and

– the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, other gains or other financial items.

Subsequent measurement of financial assets

Debt investments – Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

– they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

– the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in other gains in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and other receivables, cash and bank balances and restricted cash fall into this category of financial instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Financial instruments (Continued)

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities including bank borrowings, lease liabilities, trade and other payables and interest payables.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or other gains.

Accounting policies of lease liabilities are set out in note 2.8.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Trade and other payables and interest payables

These are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method.

2.6 Impairment of financial assets and contract assets

HKFRS 9's impairment requirements use forward-looking information to recognise ECL – the "ECL model". Instruments within the scope included loans and other debt-type financial assets measured at amortised cost, trade receivables and contract assets recognised and measured under HKFRS 15.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

– financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("**Stage 1**"); and

– financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("**Stage 2**").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Impairment of financial assets and contract assets (Continued)

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables, retention receivables and contract assets

For trade receivables, retention receivables and contract assets, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, trade receivables, retention receivables and contract assets have been grouped based on shared credit risk characteristics by reference to past default experience, current past due exposure of the debtor and forward-looking information and the days past due. The contract assets relate to unbilled work in progress, and retention receivables have substantially the same risk characteristics as the trade receivables for the same types of contracts.

Other financial assets measured at amortised cost

The Group measures the loss allowance for other financial assets at amortised cost equal to 12-month ECL unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the reporting date with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Impairment of financial assets and contract assets (Continued)

Other financial assets measured at amortised cost (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor; and

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Detailed analysis of the ECL assessment are set out in note 32.2.

2.7 Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 2.6 and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Leases

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

– the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

– the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and

– the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

For contracts that contains a lease component and one or more additional lease, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined and the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Leases (Continued)

Definition of a lease and the Group as a lessee (Continued)

Measurement and recognition of leases as a lessee (Continued)

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

The Group remeasures lease liabilities whenever:

– there are changes in lease term or in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

– the lease payments changes due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

On the consolidated statement of financial position, right-of-use assets have been presented in separate line item.

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

2.9 Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.10 Share capital

Ordinary shares are classified as equity. The amount of share capital recognised is determined using the nominal value and any related transaction costs are deducted from the share premium.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Revenue recognition

Revenue arises mainly from the provision of fitting-out works in Hong Kong.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer

2. Identifying the performance obligations

3. Determining the transaction price

4. Allocating the transaction price to the performance obligations

5. Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a product or service to a customer. "Control" refers to the customer's ability to direct the use of and obtain substantially all of the remaining benefits from an asset.

Contract revenue

When control of products and services is transferred over time, revenue is recognised progressively using output method which recognises revenue on the basis of direct measurements of the value to the customer of the promised goods or services transferred to date relative to the remaining goods or services promised under the contract with the customer. The progress towards complete satisfaction of the performance obligations in the contract is determined based on the value of performance completed to date as a percentage of total transaction price to depict the transfer of control of the goods or services to the customer. The Group recognises revenue over time only if it can reasonably measure its progress toward complete satisfaction of the performance obligation. However, if the Group cannot reasonably measure the outcome but expects to recover the costs incurred in satisfying the performance obligation, then it recognises revenue to the extent of the costs incurred.

The values of performance completed to date of each of the individual contracts are determined by the Group based on surveys of the fitting-out works completed by the Group to date as stated on the payment certificates issued by the Group's customers, surveyors or other representatives appointed by the Group's customers. Such payment certificates certifying the value of works carried out to date are issued taken into account of the payment applications submitted by the Group in relation to the actual amounts of works completed by the Group which are prepared based on internal progress reports of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Revenue recognition (Continued)

Contract revenue (Continued)

In cases where the payment certificates do not take place as at the Group's reporting period-end dates or do not exactly cover periods up to the reporting period-end dates, the revenue for the period from the last payment certificates up to the reporting period-end dates is estimated based on the actual amounts of works performed by the Group during such period as indicated by the internal progress reports and the payment applications prepared by the surveyors of the Group and may also be determined with reference to the next payment certificates issued by the Group's customers or other representatives appointed by the Group's customers that takes place subsequent to the reporting period-end dates. If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, a provision is recognised in accordance with HKAS 37.

When control of products is transferred at a point in time, revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the Group transfers control over the products to the customer.

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Incremental cost of obtaining a contract is capitalised if the Group expects to recover those costs, unless the amortisation period for such costs would be one year or less. Costs that will be incurred regardless of whether the contract is obtained are expensed as they are incurred.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Dividend

Dividend to the Company's shareholders is recognised as a liability in the Group's and the Company's financial information in the period in which the dividends are declared by the directors in case of interim dividends or approved by the Company's shareholders in case of final dividends.

2.13 Impairment of non-financial assets (other than contract assets)

Property, plant and equipment, right-of-use assets and the Company's investment in a subsidiary are subject for impairment testing. They are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level.

Impairment losses is charged pro rata to the assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of such impairment is credited to profit or loss in the period in which it arises unless that asset is carried at revalued amount, in which case the reversal of impairment loss is accounted for in accordance with the relevant accounting policy for the revalued amount.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Employee benefits

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit plan (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' salaries.

Payments to the MPF Scheme are recognised as expense when employees have rendered service entitling them to the contributions.

The Group's obligations under MPF Scheme are limited to the fixed percentage contributions payable.

There were no contributions forfeited by the Group on behalf of its employees who left the plan prior to vesting fully in such contribution, nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 March 2023 and 2022, no forfeited contributions were available for utilisation by the Group to reduce the existing level of contributions.

Bonus plans

The Group recognises a liability and an expense for bonuses when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of such obligation can be made.

2.15 Borrowing costs

All borrowing costs are expensed when they are incurred.

2.16 Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of past events, and it is probable that an outflow of economic benefit will be required to settle the obligation and the amounts have been reliably estimated. Provisions are not recognised for future operating losses. All provisions are review at the end of each reporting period and adjusted to reflect the current best estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as interest expense.

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resource will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.18 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Accounting for income taxes (Continued)

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

– income or loss excluding reversals of temporary differences; and

– reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

  (i) the same taxable entity; or

  (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and if that person:

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) the party is an entity and if any of the following conditions applies:

  (i) the entity and the Group are members of the same group.

  (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

  (iii) the entity and the Group are joint ventures of the same third party.

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

  (vi) the entity is controlled or jointly controlled by a person identified in (a).

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2.20 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors, i.e. the chief operating decision maker (the "**CODM**"), for their decisions about resources allocation to the Group's business components and for their review of the performance of those components.

3. ADOPTION OF NEW AND AMENDED HKFRSs

3.1 Amended HKFRSs that are effective for annual period beginning on 1 April 2022

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 2022:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Costs of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations

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[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

1 Effective for annual periods beginning on or after 1 January 2023
2 Effective for annual periods beginning on or after 1 January 2024
3 Effective date not yet determined

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. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Contract Revenue

The contract revenue recognised on a project is dependent on management's estimation of the progress of the satisfaction of performance obligations of a contract over time, measured by the value of performance completed to date of the individual contract as a percentage of total transaction price. The Group reviews and revises the estimates of contract revenue, contract costs and variation orders, prepared for each contract as the contract progresses. Budgeted construction costs are prepared by management on the basis of quotations from time to time provided by the major subcontractors, suppliers and vendors involved and the experience of management. Management conducts periodic reviews of the budgeted construction costs and revises the budgeted construction costs as appropriate.

Significant judgement required in estimating the value of performance completed, contract revenue, contract costs and variation orders which may impact on percentage of completion and the corresponding contract revenue and gross profit/loss margin recognised in respective years. In addition, actual outcome in terms of total revenue or costs may be higher or lower than estimation at the end of the reporting period, which would affect the contract revenue and gross profit/loss recognised in future years as an adjustment to the amounts recorded to date. Details of contract revenue are set out in note 5.

Provision for impairment of trade and other receivables and contract assets

The management estimates the amount of loss allowance for ECL on trade and other receivables and contract assets based on the credit risk. The loss allowance amount measured as difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss. The assessment of the credit risk involves high degree of estimation and uncertainty as the directors of the Company estimated the loss rates for debtors by using forward-looking information. When the actual cash flows are less than expected or more than expected, a material impairment loss or a reversal of impairment loss may arise, accordingly. Details of the ECL movement are set out in note 32.2.

Impairment of property, plant and equipment and right-of-use assets

Items of property, plant and equipment (note 15) and right-of-use assets (note 16) are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. This process requires management's estimate of future cash flows generated by each cash-generating unit. For any instance where this evaluation process indicates impairment, the relevant asset's carrying amount is written down to the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. During the year ended 31 March 2023, no impairment loss was recognised for property, plant and equipment and right-of-use assets (2022: nil).

5. REVENUE

The Group's principal activities are disclosed in note 1 of the consolidated financial statements. Revenue recognised during the years ended 31 March 2023 and 2022 are as follows:

	2023 HK$'000	2022 HK$'000
Revenue from contracts with customers		
By timing of revenue recognition:		
Control transferred over time	**205,858**	221,539
Control transferred at a point in time	**14**	10,664
	205,872	232,203
By type of services:		
Fitting-out services	**205,858**	221,539
Supply of fitting-out materials	**14**	10,664
	205,872	232,203

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:

	2023 HK$'000	2022 HK$'000
Customer A[1]	**163,960**	199,647
Customer B[1]	**38,661**	24,354

1 The customer represents a collection of companies within a group.

5. REVENUE (CONTINUED)

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 2023 and 2022.

	2023 **HK$'000**
Remaining performance obligations expected to be satisfied during the year ending:	
31 March 2024	**213,669**
31 March 2025	**89,152**
	302,821

	2022 HK$'000
Remaining performance obligations expected to be satisfied during the year ending:	
31 March 2023	162,647

6. OTHER GAINS

	2023 **HK$'000**	2022 HK$'000
Bank interest income	**1**	1
Foreign exchange gains	**–**	15
Sundry income	**–**	132
	1	148

7. FINANCE COSTS

	2023 HK$'000	2022 HK$'000
Interest on borrowings	**5,478**	1,367
Finance charges on lease liabilities	**30**	65
	5,508	1,432

8. LOSS BEFORE INCOME TAX

	2023 HK$'000	2022 HK$'000
Loss before income tax is arrived at after charging/(crediting):		
(a) Staff costs (including directors' remuneration) ***(note (i))***		
Salaries, wages and other benefits *(note (ii))*	**21,786**	19,430
Contributions to defined contribution retirement plans	**824**	752
	22,610	20,182
(b) Other items		
Depreciation, included in:		
Direct costs		
– Owned assets	**29**	29
Administrative expenses		
– Owned assets	**167**	169
– Right-of-use assets	**942**	940
	1,138	1,138
Subcontracting charges (included in direct costs)	**135,794**	160,126
Cost of materials and finished goods	**41,373**	46,774
Auditors' remuneration	**824**	800
Written off of retention receivable	**–**	307
Provision for ECL allowance on trade and other receivables – net	**356**	7
Provision/(Reversal) for ECL allowance on contract assets – net	**40**	(10)
Payable to a sub-contractor pursuant to a settlement agreement *(note 34)*	**7,000**	–

8. LOSS BEFORE INCOME TAX (CONTINUED)

Notes:

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

	2023 HK$'000	2022 HK$'000
Direct costs	**15,194**	13,761
Administrative expenses	**7,416**	6,421
	22,610	20,182

(ii) During the year ended 31 March 2023, 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$428,000 and HK$449,000 (2022: HK$426,000 and HK$448,000), respectively.

9. INCOME TAX CREDIT

	2023 HK$'000	2022 HK$'000
Current Tax		
– Hong Kong profits tax		
Over provision in respect of prior year	**–**	(10)
	–	(10)
Deferred Tax	**–**	4
Income tax credit	**–**	(6)

No provision for the Hong Kong profits tax has been made for the year ended 31 March 2023 as the Group incurred loss for tax purpose for the year (2022: nil).

9. INCOME TAX CREDIT (CONTINUED)

Reconciliation between tax expenses and accounting loss at applicable tax rate:

	2023 HK$'000	2022 HK$'000
Loss before income tax	**(18,663)**	(4,026)
Tax on loss before income tax, calculated at the Hong Kong Profits Tax rate of 16.5%	**(3,080)**	(664)
Tax effect of non-taxable revenue	**–**	(21)
Tax effect of non-deductible expenses	**742**	353
Tax effect of tax losses not recognised	**2,318**	455
Utilisation of tax losses previously not recognised	**–**	(141)
Tax effect of deductible temporary differences not recognised	**20**	22
Over provision in respect of prior years	**–**	(10)
Income tax credit	**–**	(6)

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets in respect of the tax losses as the directors of the Company consider that it is uncertain as to the extent that future profits will be available against which tax losses can be utilised in the foreseeable future.

As at 31 March 2023, the Group had unused tax losses of approximately HK$77,283,000 (2022: approximately HK$63,235,000), which are available for offset against future profits that may be carried forward indefinitely and are subject to approval from the Hong Kong Inland Revenue Department.

10. DIVIDEND

The Board did not recommend the payment of dividend for the year ended 31 March 2023 (2022: nil).

11. 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.

	2023	2022
Loss attributable to equity holders of the Company (HK$'000)	**18,663**	4,020
Weighted average number of ordinary shares in issue (in thousands)	**480,000**	480,000
Basic loss per share (HK cents)	**3.89**	0.84

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 2023 and 2022.

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The remuneration of each director and chief executive, disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, were as follows:

	Fees HK$'000	Salaries, allowances and other benefits in kind HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2023				
Executive Directors				
Mr. Man Hoi Yuen ("**Mr. Man**") *(note(a))*	**–**	**1,102**	**18**	**1,120**
Ms. Ng Yuen Chun ("**Mrs. Man**")	**–**	**397**	**18**	**415**
Mr. Ho Chi Hong	**–**	**882**	**18**	**900**
Mr. Zheng Gang *(note(b))*	**–**	**180**	**9**	**189**
Mr. Lin Zheng *(note(b))*	**–**	**180**	**9**	**189**
Mr. Zheng Chenhui *(note(b))*	**–**	**180**	**9**	**189**
Non-executive Directors				
Mr. Chen Jian *(note(c))*	**90**	**–**	**–**	**90**
Mr. Chen Yidong *(note(c))*	**90**	**–**	**–**	**90**
Independent Non-executive Directors				
Mr. Chan Ka Yu	**180**	**–**	**–**	**180**
Dr. Lo Ki Chiu	**180**	**–**	**–**	**180**
Mr. Leung Wai Lim	**180**	**–**	**–**	**180**
Mr. Ma Hon Yiu *(note(d))*	**46**	**–**	**–**	**46**
	766	**2,921**	**81**	**3,768**
Year ended 31 March 2022				
Executive Directors				
Mr. Man *(note(a))*	–	1,082	18	1,100
Mrs. Man	–	390	18	408
Mr. Ho Chi Hong	–	845	18	863
Independent Non-executive Directors				
Mr. Chan Ka Yu	180	–	–	180
Dr. Lo Ki Chiu	180	–	–	180
Mr. Leung Wai Lim	180	–	–	180
	540	2,317	54	2,911

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

Notes:

(a) Director's quarter for Mr. Man has been recognised as lease liability and corresponding right-of-use assets as set out in note 8.

(b) Mr. Zheng Gang, Mr. Lin Zheng and Mr. Zheng Chenhui appointed as the executive directors on 1 October 2022.

(c) Mr. Chen Jian and Mr. Chen Yidong appointed as the non-executive directors on 1 October 2022.

(d) Mr. Ma Hon Yiu appointed as the Independent non-executive director on 30 December 2022.

During the year ended 31 March 2023, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2022: nil). Neither the chief executive nor any of the directors has waived or agreed to waive any emoluments during the year ended 31 March 2023 (2022: nil).

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments and non-executive directors shown above were mainly for their services as directors of the Company.

13. FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

Of the five individuals with the highest emoluments, two (2022: two) of them are directors for the year ended 31 March 2023. The emoluments in respect of the remaining three (2022: three) individuals for the years ended 31 March 2023 and 2022 are as follows:

	2023 **HK$'000**	2022 HK$'000
Salaries, allowances and other benefits in kind	**2,186**	2,139
Retirement scheme contributions	**54**	54
	2,240	2,193

The emoluments of each of the above non-directors, highest paid individuals were below HK$1,000,000. During the year ended 31 March 2023, no emoluments were paid by the Group to the above highest paid individuals as (i) an inducement to join or upon joining the Group or (ii) as compensation for loss of office as a director or management of any members of the Group (2022: nil).

14. SUBSIDIARIES OF THE COMPANY

Particulars of principal subsidiaries at 31 March 2023 and 2022 are as follows:

Name of subsidiary	Legal form, date and place of incorporation/ operations	Particulars of issued and paid up capital	Attributable equity interest 2023	Attributable equity interest 2022	Principal activities
Link Shing Holdings Ltd. ("**Link Shing**")	Limited liability company incorporated on 11 May 2018, BVI	United States dollars ("**US$**") 100	**100% (direct)**	100% (direct)	Investment holding
Happy Town Investments Limited ("**Happy Town**")	Limited liability company incorporated on 3 September 2020, BVI	US$1	**100% (direct)**	100% (direct)	Dormant
Yield Go Investment Group Limited	Limited liability company incorporated on 12 May 2022, BVI	US$100	**100% (direct)**	–	Investment holding
Yield Go Investment Holdings Limited	Limited liability company incorporated on 4 May 2022, Hong Kong	HK$1	**100% (indirect)**	–	Dormant
Chun Shing Development Co., Limited ("**Chun Shing Development**")	Limited liability company incorporated on 29 January 2015, Hong Kong	HK$1	**100% (indirect)**	100% (indirect)	Provision of fitting-out services and supply of fitting-out materials
Hoi Sing Construction (H.K.) Limited	Limited liability company incorporated on 21 February 2001, Hong Kong	HK$2	**100% (indirect)**	100% (indirect)	Provision of fitting-out services
Hoi Sing Decoration Engineering Company Limited ("**Hoi Sing Decoration**")	Limited liability company incorporated on 21 September 1995, Hong Kong	HK$110,000	**100% (indirect)**	100% (indirect)	Provision of fitting-out services
Milieu Wooden Company Limited ("**Milieu**")	Limited liability company incorporated on 16 December 2010, Hong Kong	HK$100,000	**100% (indirect)**	100% (indirect)	Provision of fitting-out services and supply of fitting-out materials

15. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and office equipments HK$'000	Motor Vehicle HK$'000	Leasehold improvement HK$'000	Total HK$'000
Cost				
As at 1 April 2021 and 31 March 2022	990	1,444	1,722	4,156
Accumulated depreciation				
As at 1 April 2021	406	1,444	1,722	3,572
Charge for the year	198	–	–	198
As at 31 March 2022	604	1,444	1,722	3,770
Net book value				
As at 31 March 2022	386	–	–	386
Cost				
As at 1 April 2022 and 31 March 2023	**990**	**1,444**	**1,722**	**4,156**
Accumulated depreciation				
As at 1 April 2022	**604**	**1,444**	**1,722**	**3,770**
Charge for the year	**196**	**–**	**–**	**196**
As at 31 March 2023	**800**	**1,444**	**1,722**	**3,966**
Net book value				
As at 31 March 2023	**190**	**–**	**–**	**190**

16. RIGHT-OF-USE ASSETS

	HK$'000
Cost	
As at 1 April 2021	3,648
Lease modification	101
Written off	(821)
As at 31 March 2022 and 1 April 2022	**2,928**
Lease modification	**1,802**
As at 31 March 2023	**4,730**
Accumulated depreciation	
As at 1 April 2021	1,897
Charge for the year	940
Written off	(821)
As at 31 March 2022 and 1 April 2022	**2,016**
Charge for the year	**942**
As at 31 March 2023	**2,958**
Net book value	
As at 31 March 2023	**1,772**
As at 31 March 2022	912

As at 31 March 2023 and 2022, included in the carrying amount is the right-of-use assets related to an office premise, a staff quarter and a carpark, which have been depreciated over the lease period of 24 months on a straight line basis.

17. TRADE AND OTHER RECEIVABLES

	2023 **HK$'000**	2022 HK$'000
Trade receivables	**23,984**	13,199
Less: ECL allowance	**(3)**	(1)
Trade receivables – net *(note (a))*	**23,981**	13,198
Retention receivables *(note (b))*	**16,456**	14,066
Other receivables, deposits and prepayments *(note (c))*	**4,769**	2,944
	45,206	30,208

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

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:

	2023 HK$'000	2022 HK$'000
0–30 days	**23,981**	13,186
31–60 days	**–**	–
61–90 days	**–**	12
	23,981	13,198

During the year ended 31 March 2023, additional provision of ECL allowance of approximately HK$2,000 (2022: no additional ECL allowance) were made against the gross amount of trade receivables (note 32.2).

(b) Retention receivables

Retention receivables were not past due as at 31 March 2023, and were due for settlement in accordance with the terms of respective contract (2022: 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 2023 and 2022 are as follows:

	2023 HK$'000	2022 HK$'000
Due within one year	**16,456**	14,066

During the year ended 31 March 2023, additional provision of ECL allowance of approximately HK$274,000 (2022: reversal of ECL allowance of approximately HK$9,000) were made (note 32.2).

(c) Other receivables, deposits and prepayments

	2023 HK$'000	2022 HK$'000
Other receivables	**1,107**	1,225
Deposits	**185**	182
Prepayments *(note (i))*	**3,580**	1,560
	4,872	2,967
Less: ECL allowance *(note (ii))*	**(103)**	(23)
Balance at 31 March	**4,769**	2,944

Notes:

(i) Prepayment included payment in advance to suppliers approximately HK$3,001,000 (2022: approximately HK$943,000).

(ii) During the year ended 31 March 2023, additional provision of ECL allowance of approximately HK$80,000 (2022: approximately HK$16,000) were made (note 32.2).

18. CONTRACT ASSETS AND LIABILITIES

The Group has recognised the following revenue-related contract assets and liabilities:

	2023 HK$'000	2022 HK$'000
Contract assets	**128,013**	155,711
Less: ECL allowance	**(84)**	(44)
Contract assets – net	**127,929**	155,667
Contract liabilities	**(2,735)**	(485)
	125,194	155,182

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional upon rendering of the billings. The contract liabilities primarily relate to the advanced consideration received from customers, for which revenue is recognised based on the progress of the provision of related services. During the year ended 31 March 2023, additional provision of ECL allowance of approximately HK$40,000 (2022: reversal of ECL allowance of approximately HK$10,000) were made against the gross amounts of contract assets (note 32.2).

As at 31 March 2023, the decrease in contract assets is mainly due to increase in transfer to trade receivables when the rights become unconditional upon rendering of the billings. The increase in contract liabilities is mainly due to increase in advance consideration received. The following table shows how much of the revenue recognised in the respective reporting period relates to carried-forward contract assets and contract liabilities.

	2023 HK$'000	2022 HK$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**485**	498
Transfers from the contract assets recognised at the beginning of the year to trade receivables	**(111,242)**	(87,836)

19. CASH AND BANK BALANCES

	2023 HK$'000	2022 HK$'000
Cash at banks	**17,087**	17,616

Note: Cash at banks earns interest at floating rates based on daily bank deposit rates.

20. 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.

21. TRADE AND OTHER PAYABLES

	2023 HK$'000	2022 HK$'000
Trade payables *(note (a))*	**15,447**	19,606
Accruals and other payables *(note (b))*	**8,992**	10,217
	24,439	29,823

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:

	2023 HK$'000	2022 HK$'000
0–30 days	**11,711**	14,643
31–60 days	**1,950**	1,802
61–90 days	**–**	1,270
Over 90 days	**1,786**	1,891
	15,447	19,606

(b) Accruals and other payables mainly comprise (i) accrued salaries of approximately HK$2,340,000 (2022: HK$1,628,000); (ii) accrued refund in relation to Employment Support Scheme for Construction Sector (Casual Employees) under Anti-epidemic Fund of approximately HK$1,647,000 (2022: HK$2,622,000); (iii) advance from subcontractor of approximately HK$14,000 (2022: HK$4,759,000); (iv) other payable to a sub-contractor of HK$4,000,000 (2022: HK$nil) pursuant to a settlement agreement (note 34) and (v) accrued professional fees of approximately HK$904,000 (2022: HK$837,000).

22. AMOUNT DUE TO A DIRECTOR

Name of director	2023 HK$'000	2022 HK$'000
Mr. Man	–	1,285

As at 31 March 2022, the balance was denominated in HK$. The amount due to a director was non-trade nature, unsecured, interest-free and repayable on demand.

23. LEASE LIABILITIES

The analysis of the Group's obligations under lease is as follows:

	2023 HK$'000	2022 HK$'000
Total minimum lease payments:		
Within one year	991	917
After one year but within two years	870	45
	1,861	962
Future finance charges on lease liabilities	(84)	(25)
Present value of lease liabilities	1,777	937
Present value of minimum lease payments:		
Within one year	927	893
After one year but within two years	850	44
	1,777	937
Less: Portion due within one year included under current liabilities	(927)	(893)
Portion due after one year included under non-current liabilities	850	44

Note: As at 31 March 2023, the carrying amounts of the Group's right-of-use assets in relation to an office premise, a staff quarter and a carpark are HK$1,772,000 (2022: HK$912,000) (note 16).

During the year ended 31 March 2023, the Group had three lease agreements comprising one office premise, one staff quarter and one carpark for 2 years with total cash outflows for the leases of HK$992,000 (2022: HK$989,000). The Group considered that no extension option or termination option would be exercised at the lease commencement date.

24. BORROWINGS

	2023 HK$'000	2022 HK$'000
Borrowings	**48,000**	43,471

All the borrowings are analysed as follows:

	2023 HK$'000	2022 HK$'000
Within one year	–	39,050
Not repayable within one year from the end of the reporting period but contain a repayment on demand clause	–	4,421
Amount shown under current liabilities	–	43,471
Over one year but within two years	**48,000**	–
Amount shown under non-current liabilities	**48,000**	–
Total	**48,000**	43,471

The amounts due are based on the schedule repayment dates set out in the loan agreements. The carrying amounts of the borrowings approximately equal to their fair values, as the market interest rates are relatively stable and are denominated in HK$.

As at 31 March 2022, the interest rates of the borrowings were charged at (i) HIBOR plus 3.0% and HIBOR plus 3.5% per annum; and (ii) 2.5% below the Hong Kong Dollars prime rate per annum quoted by The Hong Kong Mortgage Corporation Limited in relation to the Special 100% Loan Guarantee under SME Financing Guarantee Scheme.

During the year ended 31 March 2023, the Company early repaid approximately HK$10.7 million of borrowings as the change in controlling shareholder triggered the early repayment clause as stated in the borrowings agreement.

As at 31 March 2023, borrowings granted from non-bank financial institution were unsecured and the interest rate of the borrowings were charged at 12% per annum. The loan principal and interest are repayable on 13 May 2024.

25. BANKING FACILITIES

As at 31 March 2022, the banking facilities for bank borrowings granted to the Group were secured by the followings:

(i) Corporate guarantee granted by the Company amounting to HK$50,000,000;

(ii) Proceeds in relation to all account receivables of one of the subsidiaries of the Company;

(iii) Personal guarantees given by Mr. Man and Mrs. Man; and

(iv) Property owned by Hoi Sing Holdings (HK) Limited ("**Hoi Sing Holdings**"), a related party controlled and owned by Mr. Man and Mrs. Man.

As at 31 March 2023, the Group had unutilised banking facilities for bank borrowings amounting to approximately HK$nil (2022: approximately HK$600,000).

26. SHARE CAPITAL

	Number of ordinary shares	Share capital HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 31 March 2022 and 2023	**1,000,000,000**	**10,000**
Issued and fully paid:		
At 31 March 2022 and 2023	**480,000,000**	**4,800**

27. RESERVES

27.1 Share premium

Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less expenses incurred in connection with the issue of the shares.

27.2 Other reserve

Other reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the reorganisation.

28. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY

	2023 HK$'000	2022 HK$'000
ASSETS AND LIABILITIES		
Non-current asset		
Investment in subsidiaries	**82,391**	82,391
Current assets		
Prepayments	**261**	305
Cash and bank balances	**437**	492
	698	797
Current liabilities		
Accruals	**699**	698
Amount due to a subsidiary	**3,118**	–
	3,817	698
Net current (liabilities)/assets	**(3,119)**	99
Net assets	**79,272**	82,490
CAPITAL AND RESERVES		
Share capital	**4,800**	4,800
Reserve *(note a)*	**74,472**	77,690
Total equity	**79,272**	82,490

Approved and authorised for issue by the board of directors on 9 June 2023.

Mr. Man Hoi Yuen
Director

Mr. Ho Chi Hong
Director

28. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY (CONTINUED)

Note (a):

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
Balance as at 1 April 2021	105,059	(25,749)	79,310
Loss and total comprehensive expense for the year	–	(1,620)	(1,620)
Balance as at 31 March 2022 and 1 April 2022	**105,059**	**(27,369)**	**77,690**
Loss and total comprehensive expense for the year	**–**	**(3,218)**	**(3,218)**
Balance as at 31 March 2023	**105,059**	**(30,587)**	**74,472**

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities from financing activities. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flow will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest payables HK$'000	Borrowings HK$'000	Lease liabilities HK$'000	Amount due to a director HK$'000	Total HK$'000
As at 1 April 2021	–	43,485	1,760	2,750	47,995
Cash flows:					
Proceeds from borrowings	–	174,371	–	–	174,371
Repayments of borrowings	–	(174,385)	–	–	(174,385)
Interest on borrowings	–	(1,367)	–	–	(1,367)
Capital element of lease rental paid	–	–	(924)	–	(924)
Interest element of lease rental paid	–	–	(65)	–	(65)
Decrease in amount due to a director	–	–	–	(1,465)	(1,465)
Non-cash:					
Lease modification	–	–	101	–	101
Interest on borrowings	–	1,367	–	–	1,367
Finance charges on lease liabilities	–	–	65	–	65
As at 31 March 2022 and 1 April 2022	**–**	**43,471**	**937**	**1,285**	**45,693**
Cash flows:					
Proceeds from borrowings	**–**	**65,025**	**–**	**–**	**65,025**
Repayments of borrowings	**–**	**(60,496)**	**–**	**–**	**(60,496)**
Interest on borrowings	**–**	**(381)**	**–**	**–**	**(381)**
Capital element of lease rental paid	**–**	**–**	**(962)**	**–**	**(962)**
Interest element of lease rental paid	**–**	**–**	**(30)**	**–**	**(30)**
Decrease in amount due to a director	**–**	**–**	**–**	**(1,285)**	**(1,285)**
Non-cash:					
Lease modification	**–**	**–**	**1,802**	**–**	**1,802**
Interest on borrowings	**5,097**	**381**	**–**	**–**	**5,478**
Finance charges on lease liabilities	**–**	**–**	**30**	**–**	**30**
As at 31 March 2023	**5,097**	**48,000**	**1,777**	**–**	**54,874**

30. CAPITAL COMMITMENTS

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

	2023 HK$'000	2022 HK$'000
Property, plant and equipment	**92**	92

31. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in making financial or operational decisions. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

(a) Key management personnel remuneration

The emoluments of the directors and senior management of the Group, who represent the key management personnel during the years are as follows:

	2023 HK$'000	2022 HK$'000
Salaries, fee, allowances and other benefits	**4,388**	3,540
Retirement benefit scheme contributions	**108**	81
	4,496	3,621

(b) Guarantee provided and property secured by related party

As at 31 March 2022, details of guarantee provided and property secured by the related party are disclosed in note 25.

32. FINANCIAL RISK MANAGEMENT

The Group's major financial instruments include trade and other receivables, cash and bank balances, restricted cash, trade and other payables, amount due to a director, lease liabilities, interest payables and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include currency risk, interest rate risk, liquidity risk and credit risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

32.1 Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

	2023 **HK$'000**	2022 HK$'000
Financial assets		
At amortised cost:		
Trade and other receivables	**41,626**	28,648
Cash and bank balances	**17,087**	17,616
Restricted cash	**3,046**	3,046
	61,759	49,310
Financial liabilities		
At amortised cost:		
Trade and other payables	**24,439**	29,823
Amount due to a director	**–**	1,285
Lease liabilities	**1,777**	937
Borrowings	**48,000**	43,471
Interest payables	**5,097**	–
	79,313	75,516

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Market risk

(i) Currency risk

The assets and liabilities of each company within the Group are mainly denominated in their respective functional currencies. No sensitivity analysis is presented due to the directors are of the opinion that the volatility of the Group's losses against changes in exchange rates of foreign currencies arising from these assets and liabilities is insignificant.

(ii) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings bearing variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group currently does not have a formal interest rate hedging policy in relation to cash flow and fair value interest rate risks as the management considers that such risks are insignificant to the Group. The management monitors the Group's exposure on an ongoing basis and will consider hedging the interest rate when the need arise.

The interest rates and terms of repayment of the Group's interest-bearing borrowings are disclosed in note 24.

As at 31 March 2023, borrowings bearing fixed rate expose the Group to fair value interest rate risk and the exposure to the Group is considered immaterial.

As at 31 March 2022, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's loss before income tax for the year ended 31 March 2022 would have been increased/decreased by approximately HK$435,000. The sensitivity analysis has been determined assuming that the change in interest rates had occurred throughout the year end had been applied to the exposure to interest rate risk for variable-rate borrowings in existence at each reporting period. The 100 basis points decreased/increased represents management's assessment of a reasonably possible change in those interest rates which have the most impact on the Group over the period until the end of next reporting period.

(iii) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and from its investing activities.

The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position as at 31 March 2023 and 2022 is the carrying amount as disclosed in note 32.1.

The Group uses four categories for those receivables which reflect their credit risk and how the loss allowance provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Market risk (Continued)

(iii) Credit risk (Continued)

The following table shows the Group's credit risk grading framework:

Category	Group definition of category	Basis for recognition of ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit impaired (refer to as Stage 1)	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit impaired (refer to as Stage 2)	Lifetime ECL – not credit Impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

Trade receivables, retention receivables and contract assets

The Group applies the simplified approach to providing for ECL prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables, retention receivables and contract assets.

The Group has a concentration of credit risk in respect of trade and retention receivables and contract assets. As at 31 March 2023, there were three customer (2022: four customers) which individually contributed over 10% of the Group's trade and retention receivables and contract assets. The aggregate amounts from these customers amounted to 85.0% (2022: 91.9%) of the Group's trade and retention receivables and contract assets as at 31 March 2023. The Group has set up long-term cooperative relationship with these debtors. In view of the history of business dealings with the debtors and the sound collection history of the receivables due from them, management believes that there is no material credit risk, inherent in the Group's outstanding receivables balance due from these debtors.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Market risk (Continued)

(iii) Credit risk (Continued)

Trade receivables, retention receivables and contract assets (Continued)

Based on historical and forward-looking elements of the Group, the movement in the provision for loss allowance in respect of trade receivables, retention receivables and contract assets during the years ended 31 March 2023 and 2022 were as follows:

	Trade receivables HK$'000	Retention receivables HK$'000	Contract assets HK$'000	Total HK$'000
As at 1 April 2021	1	22	54	77
Reversal for the year	–	(9)	(10)	(19)
As at 31 March 2022 and 1 April 2022	1	13	44	58
Additional for the year	**2**	**274**	**40**	**316**
As at 31 March 2023	**3**	**287**	**84**	**374**

For the years ended 31 March 2023 and 2022, the provision for, reversal of and written-off of loss allowance were recognised in profit or loss in other gains and administrative and other operating expenses in relation to the impaired trade receivables, retention receivables and contract assets.

Deposits and other receivables

The Group considered the ECL is low based on historical settlement records and past experiences and the counterparties have a strong capacity to meet its contractual cash flow obligations in the near term. During the year ended 31 March 2023, additional provision of ECL allowance of approximately HK$80,000 (2022: approximately HK$16,000) were made against the gross amount of deposits and other receivables.

Cash and bank balances and restricted cash

Bank balances were placed at financial institutions that have sound credit rating. The risk of default is low and the Group considers the credit risk to be insignificant.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Market risk (Continued)

(iv) Liquidity risk

Liquidity risk refers to the risk in which the Group will not be able to meet its obligations with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade and other payables and accruals and its financing obligations, and also in respect of its cash flow management.

The following table details the remaining contractual maturities at the reporting date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating based on current rates at the reporting date) and the earliest date the Group may be required to pay.

	Within one year or on demand HK$'000	Over one year but within two years HK$'000	Total contractual cash flows HK$'000	Carrying amount HK$'000
As at 31 March 2023				
Trade and other payables	**24,439**	**–**	**24,439**	**24,439**
Lease liabilities	**991**	**870**	**1,861**	**1,777**
Borrowings	**–**	**54,240**	**54,240**	**48,000**
Interest payables	**–**	**5,097**	**5,097**	**5,097**
	25,430	**60,207**	**85,637**	**79,313**
As at 31 March 2022				
Trade and other payables	29,823	–	29,823	29,823
Amount due to a director	1,285	–	1,285	1,285
Lease liabilities	917	45	962	937
Bank borrowings *(note)*	43,471	–	43,471	43,471
	75,496	45	75,541	75,516

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Market risk (Continued)

(iv) Liquidity risk (Continued)

Note:

Borrowings with a repayment on demand clause are included in the "Within one year or on demand" time band in the above maturity analysis. The scheduled repayment dates set out in the loan agreements of the relevant portion of bank loans with a repayment on demand clause are as follows:

	Aggregate principal and interest cash outflows				
	Within one year	**Over one year but within two years**	**Over two years but within five years**	**Total**	**Carrying amount**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
As at 31 March 2022	39,363	1,707	2,891	43,961	43,471

32.3 Fair value

The directors consider the carrying amounts of the Group's financial assets and financial liabilities are approximate to their fair value because of the immediate or short term maturity of these financial instruments.

33. CAPITAL RISK MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, to support the Group's stability and growth; to earn a margin commensurate with the level of business and market risks in the Group's operations and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as the total interest-bearing liabilities, lease liabilities, interest payables and amount due to a director divided by the total equity.

The gearing ratios of the Group are as follows:

	2023 **HK$'000**	2022 HK$'000
Total debt	**54,874**	45,693
Total equity	**113,182**	131,845
Gearing ratio	**48.5%**	34.7%

34. LITIGATION

On 11 March 2022, the Company's indirectly 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. On 16 January 2023, settlement agreement was entered into between Hoi Sing Decoration and the sub-contractor. Pursuant to the settlement agreement, Hoi Sing Decoration agreed to pay a settlement sum of HK$7.0 million to the sub-contractor divided into 7 installments, of which HK$3.0 million was paid during the year with the remaining HK$4.0 million included in other payables in note 21.

Summary of Financial Information

The financial summary of the Group for the last five years is set as follows:

	For the year ended 31 March				
	2023 HK$'000	2022 HK$'000	2021 HK$'000	2020 HK$'000	2019 HK$'000
Revenue	**205,872**	232,203	278,182	420,302	669,780
Direct costs	**(193,750)**	(222,313)	(306,323)	(408,902)	(589,352)
Gross profit/(loss)	**12,122**	9,890	(28,141)	11,400	80,428
Other gains	**1**	148	11,627	13	62
Administrative and other operating expenses	**(24,882)**	(12,635)	(14,147)	(16,982)	(32,440)
(Provision)/Reversal for expected credit losses ("**ECL**") allowance on trade and other receivables and contract assets, net	**(396)**	3	(190)	(58)	(91)
Finance costs	**(5,508)**	(1,432)	(1,703)	(2,230)	(1,828)
(Losses)/Profit before income tax	**(18,663)**	(4,026)	(32,554)	(7,857)	46,131
Income tax credit/(expense)	**–**	6	39	(105)	(10,168)
(Loss)/Profit and total comprehensive (expense)/income for the year attributable to equity holders of the Company	**(18,663)**	(4,020)	(32,515)	(7,962)	35,963
(Loss)/Earnings per share attributable to equity holders of the Company: – Basic and diluted	**(HK3.89 cents)**	(HK0.84 cents)	(HK6.77 cents)	(HK1.66 cents)	HK9.22 cents

	As at 31 March				
	2023 HK$'000	2022 HK$'000	2021 HK$'000	2020 HK$'000	2019 HK$'000
Assets and liabilities					
Non-current assets	**1,962**	1,298	2,339	3,132	186
Current assets	**193,268**	206,548	208,210	281,213	339,868
Non-current liabilities	**(53,947)**	(44)	(842)	(43)	–
Current liabilities	**(28,101)**	(75,957)	(73,842)	(115,922)	(125,312)
Total equity	**113,182**	131,845	135,865	168,380	214,742