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Yield Go Holdings Ltd.
耀高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1796)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the Review Year amounted to approximately HK$278.2 million (FY2020: approximately HK$420.3 million).
- Gross loss margin of the Group for the Review Year was at approximately 10.1% (FY2020: gross profit margin of the Group of approximately 2.7%).
- Loss before income tax of the Group for the Review Year was approximately HK$32.6 million (FY2020: approximately HK$7.9 million).
- Loss and total comprehensive expense attributable to equity holders of the Company for the Review Year was approximately HK$32.5 million (FY2020: approximately HK$8.0 million).
- Basic and diluted loss per share attributable to equity holders of the Company for the Review Year was approximately HK6.77 cents (FY2020: approximately HK1.66 cents).
- The Board has resolved not to declare any dividend for the Review Year (FY2020: Nil).

The board (the "**Board**") of directors (the "**Directors**") of Yield Go Holdings Ltd. (the "**Company**") is pleased to present the audited consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2021 (the "**Review Year**"), together with the comparative figures for the corresponding year ended 31 March 2020 (the "**FY2020**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2021

		For the year ended 31 March	
		2021	2020
	Notes	***HK$'000***	*HK$'000*
Revenue	4	**278,182**	420,302
Direct costs		**(306,323)**	(408,902)
Gross (loss)/profit		**(28,141)**	11,400
Other gains – net	5	**11,836**	46
Administrative and other operating expenses		**(14,546)**	(17,073)
Finance costs	6	**(1,703)**	(2,230)
Loss before income tax	7	**(32,554)**	(7,857)
Income tax credit/(expense)	8	**39**	(105)
Loss and total comprehensive expense for the year attributable to equity holders of the Company		**(32,515)**	(7,962)
Loss per share attributable to equity holders of the Company		***HK cents***	*HK cents*
– Basic and diluted	10	**(6.77)**	(1.66)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2021

		As at 31 March	
		2021	2020
	Notes	***HK$'000***	*HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**584**	1,655
Right-of-use assets		**1,751**	1,442
Deferred tax assets		**4**	35
		2,339	3,132
Current assets			
Trade and other receivables	11	**26,994**	56,686
Contract assets		**154,556**	194,381
Cash and bank balances		**23,548**	25,267
Restricted cash	12	**3,046**	3,046
Tax recoverable		**66**	1,833
		208,210	281,213
Current liabilities			
Trade and other payables	13	**26,191**	50,993
Contract liabilities		**498**	15,654
Bank borrowings		**43,485**	43,244
Amount due to a director		**2,750**	4,600
Lease liabilities		**918**	1,431
		73,842	115,922
Net current assets		**134,368**	165,291
Total assets less current liabilities		**136,707**	168,423
Non-current liability			
Lease liabilities		**842**	43
Net assets		**135,865**	168,380
CAPITAL AND RESERVES			
Share capital	14	**4,800**	4,800
Reserves		**131,065**	163,580
Total equity		**135,865**	168,380

NOTES

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing**") with effect from 31 December 2018. The addresses of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and with effect from 1 April 2021, the address of principal place of business of the Company has been changed from Unit 8, 39/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong to Unit 3, 32/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong.

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

As at 31 March 2021, to the best knowledge of the Directors, the Company's immediate and ultimate holding company is Hoi Lang Holdings Ltd. ("**Hoi Lang**"), a company incorporated in the British Virgin Islands (the "**BVI**") and owned by Mr. Man Hoi Yuen ("**Mr. Man**"), Ms. Ng Yuen Chun ("**Mrs. Man**"), spouse of Mr. Man, and Mr. Ho Chi Hong ("**Mr. Ho**").

The consolidated financial statements for the year ended 31 March 2021 were approved for issue by the Board of Directors on 22 June 2021.

2. BASIS OF PREPARATION

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

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**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 amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 3.

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

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

3. ADOPTION OF AMENDED HKFRSs

3.1 Amended HKFRSs that are effective for annual periods beginning on or after 1 April 2020

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 2020:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKAS 1 and HKAS 8	Definition of Material

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

The Group has not early applied any new standards, interpretations or amendments that is not yet effective for the current accounting period, other than Amendment to HKFRS 16 "Covid-19-Related Rent Concessions" of which the effect of HK$10,000 is included in other gains – net.

Amendment to HKFRS 16 "Covid-19-Related Rent Concessions"

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("**COVID-19-related rent concessions**") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The practical expedient is only applicable to COVID-19-Related Rent Concessions and only if all of the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

(c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to early adopt the amendments and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the reporting period. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred (included in other gains – net in note 5). There is no impact on the opening balance of equity at 1 April 2020.

4. REVENUE

The Group's principal activities are disclosed in note 1 of the consolidated financial statements. Revenue recognised during the years ended 31 March 2021 and 2020 are as follows:

	2021	2020
	HK$'000	*HK$'000*
Revenue from contracts with customers		
By timing of revenue recognition:		
Control transferred over time	**278,182**	420,302
By type of services:		
Fitting-out services	**278,182**	420,302

The chief operating decision-maker (the "**CODM**") has been identified as the board of directors of the Company. The board of directors regards the Group's fitting-out services 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.

During the year ended 31 March 2021, the Group had undertaken a project in Tuen Mun with total contract sum of HK$126,160,000. Affected by the outbreak of the novel coronavirus (COVID-19) pandemic, the project had been prolonged and delayed. In order to catch up with the progress and handover to end-buyers in or before July 2020, the Group incurred unexpected additional costs and recorded contract revenue of approximately HK$33,836,000 and gross loss of approximately HK$28,858,000 respectively for the year ended 31 March 2021 (contract revenue and gross profit of approximately HK$72,508,000 and HK$3,625,000 respectively for the year ended 31 March 2020). As at 31 March 2021, the respective trade receivable and contract assets were Nil and approximately HK$7,526,000 respectively (As at 31 March 2020: approximately HK$10,223,000 and HK$42,702,000 respectively).

Information about major customers

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

	2021	2020
	HK$'000	*HK$'000*
Customer A[1]	**183,572**	265,749
Customer B[1]	**47,013**	N/A[2]
Customer C	**33,836**	72,508

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

[2] The corresponding revenue did not contribute over 10% of total revenue of the Group.

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that were unsatisfied (or partially unsatisfied) as at 31 March 2021 and 2020.

	2021
	HK$'000
Remaining performance obligations expected to be satisfied during the year ending:	
31 March 2022	**209,357**
31 March 2023	**16,258**
	225,615

	2020
	HK$'000
Remaining performance obligations expected to be satisfied during the year ending:	
31 March 2021	144,635
31 March 2022	41,763
	186,398

5. OTHER GAINS – NET

	2021	2020
	HK$'000	*HK$'000*
Bank interest income	**1**	2
Government grant *(note)*	**11,565**	50
Net foreign exchange gains/(losses)	**50**	(39)
Reversal of provision for expected credit losses ("**ECL**") allowance on trade and other receivables	**209**	–
Reversal of provision for ECL allowance on contract assets	**–**	33
Sundry income	**11**	–
	11,836	46

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

6. FINANCE COSTS

	2021	2020
	HK$'000	*HK$'000*
Interest on bank borrowings	**1,652**	2,128
Finance charges on lease liabilities	**51**	102
	1,703	2,230

7. LOSS BEFORE INCOME TAX

	2021	2020
	HK$'000	*HK$'000*
Loss before income tax is arrived at after (crediting)/charging:		
(a) Staff costs (including directors' remuneration) ***(note (i))***		
Salaries, wages and other benefits *(note (ii))*	**27,305**	40,433
Contributions to defined contribution retirement plans	**1,073**	1,662
	28,378	42,095
(b) Other items		
Depreciation, included in:		
Direct costs		
– Owned assets	**29**	26
Administrative expenses		
– Owned assets	**1,042**	1,014
– Right-of-use assets	**1,470**	1,433
	2,541	2,473
Subcontracting charges (included in direct costs)	**212,098**	293,688
Cost of materials and finished goods	**69,625**	76,222
Auditors' remuneration	**800**	650
Short term lease with lease term less than 12 months in respect of machinery and equipment	**84**	390
Short term lease with lease term less than 12 months in respect of warehouse	**–**	164
(Reversal)/Provision for ECL allowance on trade and other receivables, net	**(209)**	91
Provision/(Reversal) for ECL allowance on contract assets, net	**19**	(33)

Notes:

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

	2021	2020
	HK$'000	*HK$'000*
Direct costs	**21,736**	34,469
Administrative expenses	**6,642**	7,626
	28,378	42,095

(ii) During the year ended 31 March 2021, one director's quarter has been recognised as lease liability and corresponding right-of-use asset. The depreciation and lease payments in respect of relevant right-of-use asset and lease liability amounted to approximately HK$444,000 and HK$465,000 (2020: HK$448,000 and HK$468,000), respectively.

8. INCOME TAX (CREDIT)/EXPENSE

	2021	2020
	HK$'000	*HK$'000*
Current Tax		
– Hong Kong profits tax		
Current year	**12**	77
(Over)/Under provision in respect of prior year	**(82)**	27
	(70)	104
Deferred Tax	**31**	1
Income tax (credit)/expense	**(39)**	105

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

For the years ended 31 March 2021 and 2020, Hong Kong profits tax of Hoi Sing Construction (H.K) Limited ("**Hoi Sing Construction**"), a subsidiary of the Group, is calculated in accordance with the two-tiered profits tax rates regime. Profits tax of other group entities continue to be taxed at the flat rate of 16.5%.

9. DIVIDEND

	2021	2020
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the year – Nil (2020: HK 8 cents per ordinary share)	**–**	38,400

The Board did not recommend the payment of dividend for the year ended 31 March 2021 (2020: Nil).

10. LOSS PER SHARE

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

	2021	2020
Loss attributable to equity holders of the Company *(HK$'000)*	**32,515**	7,962
Weighted average number of ordinary shares in issue *(in thousands)*	**480,000**	480,000
Basic loss per share *(HK cents)*	**6.77**	1.66

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 2021 and 2020.

11. TRADE AND OTHER RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
Trade receivables	**12,063**	36,196
Less: ECL allowance	**(1)**	(37)
Trade receivables – net *(note (a))*	**12,062**	36,159
Retention receivables *(note (b))*	**13,211**	16,399
Other receivables, deposits and prepayments *(note (c))*	**1,721**	4,128
	26,994	56,686

Notes:

(a) Trade receivables

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

	2021	2020
	HK$'000	*HK$'000*
0–30 days	**11,979**	15,275
31–60 days	**–**	14,136
61–90 days	**–**	6,203
Over 90 days	**83**	545
	12,062	36,159

During the year ended 31 March 2021, reversal of ECL allowance of approximately HK$36,000 (2020: HK$111,000) were made against the gross amount of trade receivables.

(b) Retention receivables

Retention receivables were not past due as at 31 March 2021, and were due for settlement in accordance with the terms of respective contract (2020: Nil).

The Group generally allows 3% 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 12 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 2021 as follows:

	2021	2020
	HK$'000	*HK$'000*
Due within one year	**13,211**	16,399

During the year ended 31 March 2021, reversal of ECL allowance of approximately HK$99,000 (2020: provision of ECL allowance of approximately HK$121,000) were made.

(c) Other receivables, deposits and prepayments

	2021	2020
	HK$'000	*HK$'000*
Other receivables	**700**	309
Deposits	**186**	2,590
Prepayments	**842**	1,310
	1,728	4,209
Less: ECL allowance	**(7)**	(81)
Balance at 31 March	**1,721**	4,128

During the year ended 31 March 2021, reversal of ECL allowance of approximately HK$74,000 (2020: provision of ECL allowance of approximately HK$81,000) were made.

12. RESTRICTED CASH

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

13. TRADE AND OTHER PAYABLES

	2021	2020
	HK$'000	*HK$'000*
Trade payables *(note (a))*	**20,650**	46,295
Accruals and other payables *(note (b))*	**5,541**	4,698
	26,191	50,993

Notes:

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

	2021	2020
	HK$'000	*HK$'000*
0–30 days	**11,309**	20,990
31–60 days	**1,711**	3,372
61–90 days	**4,188**	4,907
Over 90 days	**3,442**	17,026
	20,650	46,295

(b) Accruals and other payables mainly comprise (i) accrued salaries of approximately HK$1,854,000 (2020: HK$2,628,000); (ii) accrued refund in relation to Employment Support Scheme for Construction Sector (Casual Employees) under Anti-epidemic Fund of approximately HK$2,704,000 (2020: Nil) and (iii) accrued professional fees of approximately HK$789,000 (2020: HK$1,189,000).

14. SHARE CAPITAL

	Number of ordinary shares	Share capital
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 31 March 2020 and 2021	**1,000,000,000**	**10,000**
Issued and fully paid:		
At 31 March 2020 and 2021	**480,000,000**	**4,800**

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

Throughout the Review Year, the Group's business was overshadowed by the COVID-19 pandemic. Many countries imposed stringent restrictions in reacting to millions of cases of illness and death caused by the COVID-19 pandemic. Due to the scale and severity of the COVID-19 pandemic, many industries were heavily disrupted and the market conditions after the 2019 economic slowdown further deteriorated, and hence global economy plunged into its worst recession since the financial crisis in 2009. By the end of 2020, the International Monetary Fund estimated a steep fall of 4.4% contraction in the global economy.

COVID-19 pandemic in Hong Kong pushed the economic slowdown to its recession in 2020. Although the Hong Kong government did not impose a full lockdown on the city, precautionary measures in fighting waves of COVID-19 outbreaks within the local community were put in place. During the Review Year, construction industry was one of the most suffered ones in Hong Kong. Construction industry faced challenges of project delay caused by temporary suspension of work on site when the COVID-19 confirmed cases were linked to on-site workers. Apart from project delay, supply chain disruption caused by the lockdown in China and elsewhere pressured construction projects into cost overruns. According to the Census and Statistic Department, the total gross value of construction works performed by main contractors in Hong Kong decreased by approximately HK$6.5 billion or 2.8% from HK$236.4 billion in 2019 to HK$229.9 billion in 2020. By sector, whilst the gross value of public construction works in Hong Kong increased in 2020, the gross value of private construction works in Hong Kong decreased by approximately 16.6% to approximately HK$61.1 billion, hitting the lowest since 2014. Given the pressing demand for residential and commercial building development in Hong Kong, the aforesaid decrease reflected a weak industry performance caused by the year-long pandemic.

Business Review

The Group is an established fitting-out contractor in Hong Kong, with over 25 years 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 include both (i) fitting-out works conducted on new buildings; and (ii) interior renovation works on existing buildings that involve upgrades, makeovers and demolition of existing works. Hoi Sing Decoration and Milieu Wooden Company Limited are registered subcontractors under the Registered Specialist Trade Contractors 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 categorised as residential and non-residential fitting-out services. During the Review Year, the Group's revenue decreased by approximately HK$142.1 million or 33.8% to approximately HK$278.2 million (FY2020: approximately HK$420.3 million). Such decrease was primarily attributable to (i) the decrease in number of sizeable projects available within the market during the Review Year; and (ii) the adoption of a more competitive tender pricing strategy by the Group in order to secure new projects (notwithstanding a relatively low gross profit margin) during the Review Year in response to the intense market competition.

Outlook

Entering the second year of the COVID-19 pandemic, businesses around the world were adjusted to a "new normal" and have been implementing new ways of working arrangements. Despite the fact that business activities remain below pre-recession levels, Hong Kong recorded 7.8% year-on-year economic growth in the first quarter of 2021, which demonstrated a significant rebound from the 18-month recession under the COVID-19 pandemic.

Regarding Hong Kong construction industry, the government aims to lead the industry from the bottlenecks and promote "Construction 2.0", which includes, among other things, the new 2021/22 diploma programmes at Hong Kong Institute of Construction and the planned infrastructure development in housing, new town, and land development. Whilst the estimated expenditure of public works in the coming few years shall exceed HK$100 billion each year, the total volume of construction including public and private sectors will exceed HK$300 billion each year. Supported by a recovery in global economic conditions and the Hong Kong government's investment in infrastructure projects, the Group believes the continuous development for residential units and commercial buildings in Hong Kong will in turn bring the fitting-out works market back to a somewhat stable state. The Group will continue to seize favourable opportunities and strive to maintain a strong market position by strengthening its competitiveness amongst the fitting-out works industry.

Financial Review

Revenue

During the Review Year, the Group's revenue decreased by approximately HK$142.1 million or 33.8% to approximately HK$278.2 million (FY2020: approximately HK$420.3 million). Such decrease was primarily due to (i) the decrease in number of sizeable projects available within the market during the Review Year; and (ii) the adoption of a more competitive project pricing strategy by the Group in order to secure new projects (notwithstanding a relatively low gross profit margin) during the Review Year in response to the intense market competition.

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

During the Review Year, the Group's gross profit decreased by approximately HK$39.5 million to gross loss of approximately HK$28.1 million (FY2020: gross profit of the Group of approximately HK$11.4 million). Such decrease was attributable to the decrease in the revenue as discussed above and the gross loss recorded from a project undertaken by the Group at Tuen Mun during the Review Year, which had been prolonged and delayed under the COVID-19 pandemic, due to unexpected additional costs incurred.

Other gains – net

During the Review Year, the Group recorded a net other gains of approximately HK$11.8 million (FY2020: approximately HK$46,000). Such increase was primarily due to the subsidies from government grant in relation to Employment Support Scheme for Regular Employees and Construction Sector (Casual Employees) under Anti-epidemic Fund during the Review Year.

Administrative and other operating expenses

During the Review Year, the Group's administrative and other operating expenses decreased by approximately HK$2.6 million or 15.2% to approximately HK$14.5 million (FY2020: approximately HK$17.1 million). Such decrease was primarily due to the decrease in staff cost, professional fees and entertainment expenses incurred during the Review Year.

Finance costs

During the Review Year, the Group's finance costs decreased by approximately HK$0.5 million or 22.7% to approximately HK$1.7 million (FY2020: approximately HK$2.2 million). Such decrease was primarily due to the decrease in interest on bank borrowings during the Review Year.

Income tax (credit)/expense

During the Review Year, the Group's income tax expense decreased by approximately HK$144,000 to income tax credit of approximately HK$39,000 (FY2020: income tax expense of the Group of approximately HK$105,000). Such decrease was primarily due to the decrease in revenue and gross profit during the Review Year as discussed above.

Net loss

During the Review Year, loss and total comprehensive expense attributable to equity holders of the Company increased by approximately HK$24.5 million to approximately HK$32.5 million (FY2020: approximately HK$8.0 million). Such increase was primarily due to the decrease in revenue and gross profit 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 2021, 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 2021, the Group had total cash and bank balances and restricted cash of approximately HK$26.6 million (FY2020: approximately HK$28.3 million). Such decrease was due to the net effect of net cash generated from operating and investing activities and net cash used in financing activities of approximately HK$1.7 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 29.3% as at 31 March 2020 to approximately 35.3% as at 31 March 2021. The increase was primarily due to decrease in total equity resulted from net loss incurred during the Review Year.

Treasury Policy

The Group has adopted a prudent financial management approach towards it 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 relationship 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 environment 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 in compliance with all applicable statutory requirements.

Uncertainties in Work Progress

We rely on the due and timely performance of our subcontractors for timely delivery of our works. If our subcontractors' performance is not up to standard, we may not be able to rectify the substandard works 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 materially and adversely affected.

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

Pledge of Assets

As at the date of this announcement, the Group's bank borrowings were secured by (i) corporate guarantee granted by the Company; (ii) proceeds in relation to all account receivable of one of the subsidiaries of the Company; and (iii) personal guarantees given by Mr. Man and Mrs. Man (which falls within Rule 14A.90 of the Listing Rules).

Foreign Exchange Exposure

As the Group only operates in Hong Kong and all of the revenue and transactions arising from its operations were settled in Hong Kong dollar, the Directors are of the view that the Group's foreign exchange rate risks are insignificant. Thus, the Group has not entered 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:

	2021	2020
	HK$'000	*HK$'000*
Property, plant and equipment	**92**	184

Save as disclosed above, the Group had no material contingent liabilities as at 31 March 2021 (As at 31 March 2020: nil).

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

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

Future Plans for Material Investments or Capital Assets

Save as disclosed in the section headed "Future plans and use of proceeds" in the prospectus of the Company dated 13 December 2018 (the "**Prospectus**") and the announcement of change in use of proceeds dated 24 June 2020 (the "**UOP Announcement**"), the Group did not have other future plans for material investments or capital assets during the Review Year.

Use of Proceeds

The net proceeds received by the Group from the share offer in relation to the Listing, after deducting related expenses, were approximately HK$89.4 million ("**Net Proceeds**"). These proceeds are intended to be applied in accordance with the proposed application set out in the section headed "Future plans and use of proceeds" in the Prospectus. Such uses include: (i) payment for upfront costs; (ii) obtaining performance bond; (iii) repayment of bank borrowings; (iv) expansion of workforce; and (v) general working capital.

As disclosed in the UOP Announcement, the Board resolved to change the use of the unutilised Net Proceeds. Set out below is the revised allocation of the unutilised Net Proceeds.

Intended use of Net Proceeds	**Approximate percentage of Net Proceeds**	**Planned use of Net Proceeds**	**Actual use of Net Proceeds up to 31 March 2021**	**Unutilised amount of Net Proceeds as at 31 March 2021**
		HK$'000	*HK$'000*	*HK$'000*
Payment for upfront costs	15.2%	13,589	13,589	–
Obtaining performance bond	3.4%	3,046	3,046	–
Repayment of bank borrowings	50.4%	45,016	45,016	–
Expansion of workforce	21.0%	18,809	18,809	–
General working capital	10.0%	8,940	8,940	–
Total	100.0%	89,400	89,400	–

As at 31 March 2021, the Net Proceeds were fully utilised.

Employees and Remuneration Policy

As at 31 March 2021, the Group employed a total of 55 full-time employees (including three executive Directors but excluding three independent non-executive Directors) as compared to a total of 73 full-time employees as at 31 March 2020. The remuneration packages that the Group offers to employees including 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$28.4 million compared to approximately HK$42.1 million in FY2020.

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

Dividend

The Board has resolved not to declare any dividend for the Review Year (FY2020: Nil).

Closure of Register of Members

The register of members of the Company will be closed from Tuesday, 24 August 2021 to Friday, 27 August 2021, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting of the Company (the "**AGM**"), all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, not later than 4:30 p.m. on Monday, 23 August 2021.

AGM

The AGM will be held at Unit 1203B, 12/F, World-Wide House, 18 Des Voeux Road, Central, Hong Kong on Friday, 27 August 2021. The notice of AGM will be published on the Company's website at www.yield-go.com and the website of the Stock Exchange at www.hkexnews.hk and dispatched to shareholders of the Company in due course.

CORPORATE GOVERNANCE CODE/OTHER INFORMATION

Compliance with the Corporate Governance Code

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

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

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

Share Option Scheme

The Company has adopted a share option scheme (the "**Share Option Scheme**") on 6 December 2018. The principal terms of the Share Option Scheme are summarised in Appendix IV to the Prospectus. The purpose of the Share Option Scheme is to (i) motivate eligible participants to optimise their performance efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain an ongoing business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group. The maximum number of Shares in respect of which share options may be granted under the Share Option Scheme and any other share option schemes shall not, in aggregate, exceed 48,000,000 Shares, unless otherwise approved by the shareholders of the Company. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 6 December 2018, and there is no outstanding share option as at 31 March 2021.

Competing Interests

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

Purchase, Sale or Redemption of the Company's Securities

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

Event after the Review Year

The Directors believe Hong Kong economy will be recovered from the COVID-19 pandemic eventually amid the availability of vaccine for extensive distribution in 2021. The Group will be cautious and vigilant and react to the evolving situation.

Sufficiency of Public Float

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

Audit Committee Review

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

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

Scope of work of Grant Thornton Hong Kong Limited

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

Publication of Final Results and Annual Report

This results announcement is published on the Company's website at www.yield-go.com and the website of the Stock Exchange at www.hkexnews.hk. The 2021 annual report for the Review Year will be dispatched to shareholders of the Company and available on the same websites in due course.

Appreciation

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

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

Hong Kong, 22 June 2021

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