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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 INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the six months ended 30 September 2022 amounted to approximately HK\$97.3 million (six months ended 30 September 2021: approximately HK\$105.7 million).
- Gross profit margin for the six months ended 30 September 2022 was at approximately 6.8% (six months ended 30 September 2021: approximately 4.6%).
- Loss before income tax of the Group for the six months ended 30 September 2022 was approximately HK\$4.7 million (six months ended 30 September 2021: approximately HK\$1.3 million).
- Loss attributable to equity holders of the Company for the six months ended 30 September 2022 amounted to approximately HK\$4.7 million (six months ended 30 September 2021: approximately HK\$1.3 million).
- Basic and diluted loss per share for the six months ended 30 September 2022 amounted to approximately HK0.97 cents (six months ended 30 September 2021: approximately HK0.27 cents).
- The Board has resolved not to declare any interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Yield Go Holdings Ltd. (the “**Company**”) is pleased to present the unaudited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2022, together with the comparative figures for the corresponding six months ended 30 September 2021.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2022

	Notes	Six months ended 30 September	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	4	97,288	105,714
Direct costs		<u>(90,645)</u>	<u>(100,845)</u>
Gross profit		6,643	4,869
Other gains	5	–	9
Administrative and other operating expenses		(8,673)	(5,444)
Finance costs	6	<u>(2,623)</u>	<u>(730)</u>
Loss before income tax	7	(4,653)	(1,296)
Income tax	8	<u>–</u>	<u>–</u>
Loss and total comprehensive expense for the period attributable to equity holders of the Company		<u>(4,653)</u>	<u>(1,296)</u>
Loss per share attributable to equity holders of the Company		HK cents	HK cents
– Basic and diluted	10	<u>(0.97)</u>	<u>(0.27)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

		As at 30 September 2022 <i>HK\$'000</i> (unaudited)	As at 31 March 2022 <i>HK\$'000</i> (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		287	386
Right-of-use assets		442	912
		<u>729</u>	<u>1,298</u>
Current assets			
Trade and other receivables	11	32,630	30,208
Contract assets		144,656	155,667
Cash and bank balances		20,068	17,616
Restricted cash	12	3,046	3,046
Tax recoverable		11	11
		<u>200,411</u>	<u>206,548</u>
Current liabilities			
Trade and other payables	13	19,761	29,823
Contract liabilities		3,504	485
Borrowings		–	43,471
Amount due to a director		–	1,285
Lease liabilities		441	893
		<u>23,706</u>	<u>75,957</u>
Net current assets		<u>176,705</u>	<u>130,591</u>
Total assets less current liabilities		<u>177,434</u>	<u>131,889</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

As at 30 September 2022

		As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
Non-current liabilities			
Borrowings		48,000	–
Interest payables		2,224	–
Lease liabilities		18	44
		<u>50,242</u>	<u>44</u>
Net assets		<u>127,192</u>	<u>131,845</u>
CAPITAL AND RESERVES			
Share capital	14	4,800	4,800
Reserves		122,392	127,045
		<u>127,192</u>	<u>131,845</u>
Total equity		<u>127,192</u>	<u>131,845</u>

NOTES

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 and the Group are principally engaged in fitting-out services and supply of fitting-out materials.

As at 30 September 2022, to the best knowledge of the Directors, the Company’s immediate and ultimate holding company has been changed from Hoi Lang Holdings Limited to Master Success International Investment Limited (“**Master Success**”), a company incorporated in the British Virgin Islands (the “**BVI**”), on 29 April 2022.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange and Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The condensed consolidated interim financial statements do not include all of the information and disclosures required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 March 2022.

The condensed consolidated interim financial statements are unaudited, but have been reviewed by the Company’s independent auditor, Grant Thornton Hong Kong Limited.

The condensed consolidated interim financial statements are presented in thousands of units of Hong Kong dollars (“**HK\$’000**”), except when otherwise indicated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with the accounting policies adopted in the Group’s annual consolidated financial statements for the year ended 31 March 2022, except for the adoption of the following amended HKFRSs effective as of 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 – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

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.

4. REVENUE

The Group's principal activities are disclosed in note 1 of the condensed consolidated interim financial statements.

Revenue recognised for the six months ended 30 September 2022 and 2021 are as follows:

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue from contracts with customers		
By timing of revenue recognition:		
Control transferred over time	97,288	105,714
	97,288	105,714
By type of services:		
Fitting-out services	97,288	105,714
	97,288	105,714

The chief operating decision-maker 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.

Information about major customers

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

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Customer A ¹	74,711	93,725
Customer B ¹	20,097	N/A ²
	20,097	N/A ²

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.

5. OTHER GAINS

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Foreign exchange gains	–	8
Sundry income	–	1
	<u>–</u>	<u>1</u>
	<u><u>–</u></u>	<u><u>9</u></u>

6. FINANCE COSTS

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on borrowings	2,605	692
Finance charges on lease liabilities	18	38
	<u>2,623</u>	<u>730</u>
	<u><u>2,623</u></u>	<u><u>730</u></u>

7. LOSS BEFORE INCOME TAX

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss before income tax is arrived at after charging:		
(a) Staff costs (including directors' remuneration) (note (i))		
Salaries, wages and other benefits	9,615	8,800
Contributions to defined contribution retirement plans	391	358
	<u>10,006</u>	<u>9,158</u>
	<u><u>10,006</u></u>	<u><u>9,158</u></u>

	Six months ended 30 September	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
(b) Other items		
Depreciation, included in:		
Direct costs		
– Owned assets	15	15
Administrative expenses		
– Owned assets	84	84
– Right-of-use assets	470	470
	<u>569</u>	<u>569</u>
	<u><u>569</u></u>	<u><u>569</u></u>
Subcontracting charges (included in direct costs)	62,763	74,748
Cost of materials and finished goods	20,201	19,351
Auditor's remuneration	150	200
Foreign exchange losses	70	–
	<u>70</u>	<u>–</u>
	<u><u>70</u></u>	<u><u>–</u></u>
<i>Note (i):</i> Staff costs (including directors' remuneration) included in:		
Direct costs	6,903	6,176
Administrative expenses	3,103	2,982
	<u>3,103</u>	<u>2,982</u>
	<u><u>10,006</u></u>	<u><u>9,158</u></u>

8. INCOME TAX

No provision for the Hong Kong profits tax has been made for the six months ended 30 September 2022 as the Group incurred loss for tax purpose for the period (six months ended 30 September 2021: nil).

9. DIVIDENDS

No interim dividend was paid or proposed for ordinary shareholders of the Company during the six months ended 30 September 2022 (six months ended 30 September 2021: nil).

10. LOSS PER SHARE

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

	Six months ended 30 September	
	2022	2021
	(unaudited)	(unaudited)
Loss attributable to equity holders of the Company (<i>HK\$'000</i>)	(4,653)	(1,296)
Weighted average number of ordinary shares in issue (<i>in thousands</i>)	480,000	480,000
Basic loss per share (<i>HK cents</i>)	(0.97)	(0.27)

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 six months ended 30 September 2022 and 2021.

11. TRADE AND OTHER RECEIVABLES

	As at	As at
	30 September	31 March
	2022	2022
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Trade receivables	12,997	13,199
Less: Expected credit losses (“ECL”) allowance	(1)	(1)
Trade receivables – net (<i>note (a)</i>)	12,996	13,198
Retention receivables (<i>note (b)</i>)	16,846	14,066
Other receivables, deposits and prepayments (<i>note (c)</i>)	2,788	2,944
	32,630	30,208

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:

	As at	As at
	30 September	31 March
	2022	2022
	HK\$'000	HK\$'000
	(unaudited)	(audited)
0–30 days	12,948	13,186
31–60 days	48	–
61–90 days	–	12
	12,996	13,198

During the six months ended 30 September 2022, no additional ECL allowance were made against the gross amount of trade receivables (31 March 2022: nil).

(b) Retention receivables

Retention receivables were not past due as at 30 September 2022, and were due for settlement in accordance with the terms of respective contract (31 March 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 30 September 2022 and 31 March 2022 are as follows:

	As at 30 September 2022 <i>HK\$'000</i> (unaudited)	As at 31 March 2022 <i>HK\$'000</i> (audited)
Due within one year	16,846	14,066

During the six months ended 30 September 2022, no additional ECL allowance were made against the gross amount of retention receivables (31 March 2022: reversal of ECL allowance of approximately HK\$9,000).

(c) Other receivables, deposits and prepayments

	As at 30 September 2022 <i>HK\$'000</i> (unaudited)	As at 31 March 2022 <i>HK\$'000</i> (audited)
Other receivables	1,221	1,225
Deposits	233	182
Prepayments	1,357	1,560
	2,811	2,967
Less: ECL allowance	(23)	(23)
	2,788	2,944

During the six months ended 30 September 2022, no additional ECL allowance were made against the gross amount of other receivables (31 March 2022: additional ECL allowance of approximately HK\$16,000).

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

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
Trade payables (<i>note (a)</i>)	14,860	19,606
Accruals and other payables (<i>note (b)</i>)	4,901	10,217
	<u>19,761</u>	<u>29,823</u>

Notes:

- (a) Payment terms granted by suppliers of materials and subcontractors are ranging from 0 to 30 days generally. The ageing analysis of trade payables based on the invoice date is as follows:

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
0–30 days	6,033	14,643
31–60 days	3,057	1,802
61–90 days	948	1,270
Over 90 days	4,822	1,891
	<u>14,860</u>	<u>19,606</u>

- (b) Accruals and other payables mainly comprise (i) accrued salaries of approximately HK\$1,699,000 (31 March 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\$2,250,000 (31 March 2022: HK\$2,622,000); and (iii) accrued professional fees of approximately HK\$494,000 (31 March 2022: HK\$837,000); (iv) advance from subcontractor of approximately HK\$14,000 (31 March 2022: HK\$4,759,000).

14. SHARE CAPITAL

	Number of ordinary shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 March 2022 and 30 September 2022	<u>1,000,000,000</u>	<u>10,000</u>
Issued and fully paid:		
At 31 March 2022 and 30 September 2022	<u>480,000,000</u>	<u>4,800</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

Though the caseload and severity of the novel coronavirus (“**COVID-19**”) pandemic are becoming less worrisome, global economic activity is experiencing a broad-based slowdown, according to International Monetary Fund’s October issue. With the lingering COVID-19 pandemic adding to the already-high pressure of inflation, the war in Ukraine shatters the much-needed stability and disrupts nearly every stage of supply chains, weighing heavily on the process of global recovery.

Recording a 2.5% GDP growth during the first half of 2022, following years of relative stability under stringent COVID-19 control, China has been presenting outstanding economic performances from a global point of view, according to the National Development and Reform Commission. However, the data is falling short of the country’s pre-pandemic levels, showing the disruptions from the waves of COVID-19 outbreaks.

In Hong Kong, business communities welcome the easing of COVID-19-related restrictions, awaiting a more dynamic market, yet the economic benefits of the recent policy shift have not been shown yet. The city’s GDP contraction is yet to be reversed, despite some mild improvements in the quarterly data. With local COVID-19-related restrictions in place throughout most of the year, the construction industry remained one of the most challenged. In addition, pressing on the already weakened fitting-out service market is the hike in energy prices and logistic disruption across the borders.

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 categorised as residential and non-residential fitting-out services. During the six months ended 30 September 2022, the Group’s revenue decreased by approximately 7.9% to approximately HK\$97.3 million, compared with HK\$105.7 million for the six months ended 30 September 2021. The decrease was primarily attributable to a decrease in the number of sizeable projects available within the market. With sufficient cost control measures, the Group’s gross profit increased by approximately 34.7% despite the drop in revenue.

Following a turnaround in gross profit during the first half of 2021, the Company continued to optimise its operation management alongside cost control improvement. Despite a lack of sizable projects available in the market causing a drop in the Company's revenue, its significant gross profit growth proves the efficiency of the Company's business strategies and adaptation to the new norms during the COVID-19 pandemic.

The prolonged COVID-19 pandemic causes some lasting changes to the overall economy while Russia's war against Ukraine creates far-reaching impacts on energy prices and world policies. The outlook of Hong Kong and the world may still take many turns, leading to a new era of uncertainties. On the bright side, the recently released Policy Address by HKSAR Government reassured some confidence in the city's construction and housing market by continuing to place priority on providing housing units, both public and private, meaning the fitting-out market could eventually bounce back given some time to recover from the past years' chaotic conditions. Having restructured and learned from the adverse environment in the past years, the Group had gained much more resilience against a challenging market and grew to be more confident in grasping future opportunities when market conditions improve.

Financial Review

Revenue

During the six months ended 30 September 2022, the Group's revenue decreased by approximately HK\$8.4 million or 7.9% to approximately HK\$97.3 million (six months ended 30 September 2021: approximately HK\$105.7 million). Such decrease in revenue was primarily due to the decrease in number of sizeable projects available within the market during the six months ended 30 September 2022.

Gross profit and gross profit margin

During the six months ended 30 September 2022, the Group's gross profit increased by approximately HK\$1.7 million or 34.7% to approximately HK\$6.6 million (six months ended 30 September 2021: approximately HK\$4.9 million). During the six months ended 30 September 2022, the Group's gross profit margin was approximately 6.8% (six months ended 30 September 2021: approximately 4.6%). Such increase in gross profit was primarily attributable to the improvement in the overall construction costs control under the current fierce industry competition during the period.

Other gains

The Group recorded foreign exchange gains and sundry income of nil (six months ended 30 September 2021: approximately HK\$8,000 and HK\$1,000 respectively) during the six months ended 30 September 2022.

Administrative and other operating expenses

The Group incurred administrative and other operating expenses of approximately HK\$8.7 million for the six months ended 30 September 2022 compared to approximately HK\$5.4 million for the corresponding period in 2021, representing a 61.1% increase. This was mainly due to the increase in legal and professional fees incurred during the six months ended 30 September 2022.

Finance costs

During the six months ended 30 September 2022, the Group's finance costs increased by approximately HK\$1.9 million or 271.4% compared to the six months ended 30 September 2021, from approximately HK\$0.7 million to approximately HK\$2.6 million. The increase was primarily due to the increase in interest rate of the new borrowings during the six months ended 30 September 2022.

Net loss

For the six months ended 30 September 2022, the Group recorded net loss of approximately HK\$4.7 million, representing an increase of 261.5% compared to approximately HK\$1.3 million for the corresponding period in 2021. Such increase was mainly due to the additional administrative expense and finance costs incurred as discussed above.

Liquidity, Financial Resources and Capital Structure

There has been no change in the capital structure of the Company during the six months ended 30 September 2022. The capital of the Company comprises only ordinary shares.

As at 30 September 2022, the Company's issued capital was HK\$4.8 million and the number of issued ordinary shares of the Company (the "Shares") was 480,000,000 Shares of HK\$0.01 each.

As at 30 September 2022, the Group had total cash and cash equivalents and restricted cash of approximately HK\$23.1 million (31 March 2022: approximately HK\$20.7 million). The increase was due to the aggregate net cash generated from operating and financing activities of approximately HK\$2.5 million.

The Group's gearing ratio, calculated as 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 39.8% as at 30 September 2022. The increase was primarily due to increase in borrowings during the six months ended 30 September 2022.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

Pledge of Assets

As at the date of this announcement, 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 six months ended 30 September 2022.

Capital Commitments and Contingent Liabilities

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

	As at 30 September 2022 HK\$'000	As at 31 March 2022 HK\$'000
Property, plant and equipment	92	92

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

Save as disclosed above, the Group had no material contingent liabilities as at 30 September 2022 (31 March 2022: nil).

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

During the six months ended 30 September 2022, the Group did not have any significant investment held, any material acquisitions or disposals of subsidiaries or associated companies.

Future Plans for Material Investments or Capital Assets

The Group did not have future plans for material investments or capital assets during the six months ended 30 September 2022.

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 Rules Governing the Listing of Securities on the Stock Exchange (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 30 September 2022, the Group employed a total of 54 full-time employees (including three executive Directors but excluding three independent non-executive Directors) (As at 31 March 2022: 56). The remuneration packages that the Group offers to employees includes 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 six months ended 30 September 2022 was approximately HK\$10.0 million (six months ended 30 September 2021: approximately HK\$9.2 million).

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.

Interim Dividends

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: nil).

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 six months ended 30 September 2022 and up to the date of this announcement.

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 six months ended 30 September 2022 and up to the date of this announcement.

Non-compliance with Rule 3.10A of the Listing Rules

With effect from 1 October 2022, Mr. Zheng Gang, Mr. Lin Zheng and Mr. Zheng 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 will comprise six executive Directors, two non-executive Directors and three independent non-executive Directors. As a result, the number of the independent non-executive Directors will be less than one-third of the Board which will fall below the minimum requirement prescribed under Rule 3.10A of the Listing Rules.

The Board is in the process of identifying a suitable candidate to fill the vacancy and will use its best endeavours to ensure that a suitable candidate is appointed as soon as practicable and, in any event, within three months from 1 October 2022 pursuant to Rule 3.11 of the Listing Rules. For details, please refer to the announcement of the Company dated 30 September 2022.

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 of the Company dated 13 December 2018. The purpose of the Share Option Scheme is 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 Share in issue as at the date of this announcement), 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 30 September 2022.

Competing Interests

Neither the Directors nor 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 six months ended 30 September 2022, 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 six months ended 30 September 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

Event after the reporting period

There is no material subsequent event undertaken by the Group after 30 September 2022 and up to the date of this announcement.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, save as disclosed in the paragraph headed "Change of Controlling Shareholders" above, 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 six months ended 30 September 2022 and up to the date of this announcement.

Audit Committee Review

The Company established an audit committee (the "**Audit Committee**") on 28 December 2018 in accordance with Rule 3.21 of the Listing Rules with the written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The Audit Committee consists of three independent non-executive Directors, namely Mr. Chan Ka Yu, Dr. Lo Ki Chiu and Mr. Leung Wai Lim. Mr. Chan Ka Yu currently serves as the chairman of the Audit Committee.

The Group's unaudited condensed consolidated interim financial statements for the six months ended 30 September 2022 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.

Review of Interim Results

The Group's interim results for the six months ended 30 September 2022 have not been audited, but have been reviewed by the auditor of the Company, Grant Thornton Hong Kong Limited, in accordance with Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. Based on their review and discussions with the management, the Audit Committee was satisfied that the interim results were prepared in accordance with applicable accounting standards that fairly present the Group's financial position and results for the six months ended 30 September 2022.

Publication of Interim Results Announcement and Interim Report

This interim 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 2022 interim report for the six months ended 30 September 2022 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, 18 November 2022

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