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 2023

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the Review Year amounted to approximately HK$205.9 million (FY2022: approximately HK$232.2 million).

- Gross profit margin of the Group for the Review Year was at approximately 5.9% (FY2022: approximately 4.3%).

- Loss before income tax of the Group for the Review Year was approximately HK$18.7 million (FY2022: approximately HK$4.0 million).

- Loss and total comprehensive expense attributable to equity holders of the Company for the Review Year was approximately HK$18.7 million (FY2022: approximately HK$4.0 million).

- Basic and diluted loss per share attributable to equity holders of the Company for the Review Year was approximately HK3.89 cents (FY2022: approximately HK0.84 cents).

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

The board (the "**Board**") of directors (the "**Directors**") of Yield Go Holdings Ltd. (the "**Company**") is pleased to present the consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2023 (the "**Review Year**"), together with the comparative figures for the corresponding year ended 31 March 2022 (the "**FY2022**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

		For the year ended 31 March	
		2023	2022
	Notes	***HK$'000***	*HK$'000*
Revenue	4	**205,872**	232,203
Direct costs		**(193,750)**	(222,313)
Gross profit		**12,122**	9,890
Other gains	5	**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	6	**(5,508)**	(1,432)
Loss before income tax	7	**(18,663)**	(4,026)
Income tax credit	8	**–**	6
Loss and total comprehensive expense for the year attributable to equity holders of the Company		**(18,663)**	(4,020)
Loss per share attributable to equity holders of the Company		***HK cents***	*HK cents*
– Basic and diluted	10	**(3.89)**	(0.84)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

		As at 31 March	
		2023	2022
	Notes	***HK$'000***	*HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**190**	386
Right-of-use assets		**1,772**	912
		1,962	1,298
Current assets			
Trade and other receivables	11	**45,206**	30,208
Contract assets		**127,929**	155,667
Cash and bank balances		**17,087**	17,616
Restricted cash	12	**3,046**	3,046
Tax recoverable		**–**	11
		193,268	206,548
Current liabilities			
Trade and other payables	13	**24,439**	29,823
Contract liabilities		**2,735**	485
Borrowings		**–**	43,471
Amount due to a director		**–**	1,285
Lease liabilities		**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		**48,000**	–
Interest payables		**5,097**	–
Lease liabilities		**850**	44
		53,947	44
Net assets		**113,182**	131,845
CAPITAL AND RESERVES			
Share capital	14	**4,800**	4,800
Reserves		**108,382**	127,045
Total equity		**113,182**	131,845

NOTES

1. GENERAL INFORMATION

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

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

As at 31 March 2023, 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**"), 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. BASIS OF PREPARATION

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

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

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

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

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

3. ADOPTION OF NEW AND AMENDED HKFRSs

3.1 Amended HKFRSs that are effective for annual period beginning on 1 April 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. 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	2022
	HK$'000	*HK$'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 chief operating decision-maker (the "**CODM**") has been identified as the board of directors of the Company. The board of directors regards the Group's fitting-out services and supply of fitting-out materials business as a single operating segment and regularly reviews the operating results of the Group as a whole when making decisions about resources to be allocated and assessing its performance. Also, the Group only engages its business in Hong Kong. Therefore, all revenue of the Group is derived from operations carried out in Hong Kong and all non-current assets of the Group are located in Hong Kong. Accordingly, no segment information is presented.

Information about major customers

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

	2023	2022
	HK$'000	*HK$'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.

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

5. OTHER GAINS

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

6. FINANCE COSTS

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

7. LOSS BEFORE INCOME TAX

	2023	2022
	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))*	**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 expected credit losses ("**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	**7,000**	–

Notes:

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

	2023	2022
	HK$'000	*HK$'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.

8. INCOME TAX CREDIT

	2023	2022
	HK$'000	*HK$'000*
Current Tax		
– Hong Kong profits tax		
Current year	**–**	–
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. DIVIDEND

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

	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.

11. TRADE AND OTHER RECEIVABLES

	2023	2022
	HK$'000	*HK$'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

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

(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 as follows:

	2023	2022
	HK$'000	*HK$'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: approximately HK$9,000) were made.

(c) Other receivables, deposits and prepayments

	2023	2022
	HK$'000	*HK$'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.

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

	2023	2022
	HK$'000	*HK$'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	2022
	HK$'000	*HK$'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 subcontractors 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 and (v) accrued professional fees of approximately HK$904,000 (2022: HK$837,000).

14. SHARE CAPITAL

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

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

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.

Outlook

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%.

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 of approximately HK$1,000 (FY2022: other 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.

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 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	2022
	HK$'000	*HK$'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.

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 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 non-executive 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.

Dividend

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

Closure of Register of Members

The register of members of the Company 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 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 Tuesday, 15 August 2023.

AGM

The AGM will be held at Unit 1203B, 12/F, World-Wide House, 19 Des Voeux Road Central, Hong Kong on Monday, 21 August 2023. 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 despatched to shareholders of the Company in due course.

CORPORATE GOVERNANCE CODE/OTHER INFORMATION

Compliance with the Corporate Governance Code

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

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

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

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 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.

Share Option Scheme

The Company has adopted a share option scheme (the "**Share Option Scheme**") on 6 December 2018. The principal terms of the Share Option Scheme are summarised in Appendix IV to the Prospectus. The purposes of the Share Option Scheme are to (i) motivate eligible participants to optimise their performance efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain an ongoing business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group. The maximum number of Shares in respect of which share options may be granted under the Share Option Scheme and any other share option schemes shall not, in aggregate, exceed 48,000,000 Shares, unless otherwise approved by the shareholders of the Company. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 6 December 2018, and there is no outstanding share option as at 31 March 2023.

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

There is no material subsequent event undertaken by the Group after 31 March 2023 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 Review Year and up to the date of this announcement.

Audit Committee Review

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

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

Scope of work of Grant Thornton Hong Kong Limited

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

Publication of Final Results and Annual Report

This results announcement is published on the Company's website at www.yield-go.com and the website of the Stock Exchange at www.hkexnews.hk. The 2023 annual report for the Review Year will be despatched to shareholders of the Company and available on the same websites in due course.

Appreciation

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

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

Hong Kong, 9 June 2023

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 non-executive Directors of the Company and Mr. Chan Ka Yu, Dr. Lo Ki Chiu, Mr. Leung Wai Lim and Mr. Ma Hon Yiu as independent non-executive Directors.