

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**Million Hope Industries Holdings Limited**  
**美亨實業控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1897)**

**ANNOUNCEMENT OF FINAL RESULTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**SUMMARY OF RESULTS**

For the year ended 31 March 2023, Million Hope Industries Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) recorded revenue of HK\$607.2 million, representing a decrease of 15.4% as compared to the revenue of HK\$717.7 million for the year ended 31 March 2022. The decrease in revenue was mainly due to the delay in work programmes of certain projects. The major projects that generated revenue for the current year included residential development projects at TMTL 483 Tuen Mun Siu Hong, TPTL 230 Tai Po Kau, N.K.I.L 6563 Kai Tak and N.K.I.L. 6579 Lung Cheung Road, and composite development project at No. 11 Ngau Tau Kok Road.

The consolidated profit attributable to owners of the Company for the year ended 31 March 2023 amounted to HK\$12.1 million, decreased by 50.8% as compared to HK\$24.6 million last year, mainly attributable to the decrease in gross profit margin from 7.6% last year to 6.2% this year, due to extra costs incurred by the Group to speed up the installation process in some construction sites whose work programmes were delayed as a result of COVID-19 pandemic.

The basic earnings per share and diluted earnings per share for the year were HK\$0.03, representing decreases of 50.0% when compared with HK\$0.06 last year.

The net asset value of the Group as at 31 March 2023 amounted to HK\$532.0 million (31 March 2022: HK\$539.3 million), decreased by 1.4% as compared to that of last year, mainly due to dividends paid to shareholders and repurchase of shares, netting off profits earned during the current year. Net asset value per share as at 31 March 2023 was HK\$1.27 (31 March 2022: HK\$1.29).

## **DIVIDEND**

The board of directors of the Company (the “**Board**”) has declared a second interim dividend (in lieu of a final dividend) of HK1.7 cents per share for the year ended 31 March 2023 (2022: HK2.1 cents per share) to shareholders whose names appear on the register of members of the Company on 11 July 2023. This, together with the first interim dividend of HK0.8 cents per share (2022: HK1.6 cents per share) distributed during the year, gives a total dividend of HK2.5 cents per share for the year (2022: HK3.7 cents per share). The second interim dividend will be paid on 24 July 2023 and shall be paid out of the Company’s other reserves account.

## **CLOSURE OF REGISTER OF MEMBERS FOR SECOND INTERIM DIVIDEND**

The register of members of the Company will be closed from 7 July 2023 to 11 July 2023, both days inclusive, for the purpose of determining the identity of members who are entitled to the second interim dividend for the year ended 31 March 2023. In order to qualify for the second interim dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 6 July 2023.

## **CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING**

The register of members of the Company will be closed from 17 August 2023 to 22 August 2023, both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the Company’s forthcoming annual general meeting (the “**AGM**”) scheduled to be held on 22 August 2023. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 16 August 2023.

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

*For the year ended 31 March 2023*

	<i>NOTES</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	<i>3</i>	<b>607,198</b>	717,652
Cost of sales		<u><b>(569,351)</b></u>	<u>(663,092)</u>
Gross profit		<b>37,847</b>	54,560
Other income	<i>5</i>	<b>7,490</b>	7,124
Other gains and losses	<i>6</i>	<b>(344)</b>	2,452
Impairment loss under expected credit loss model, net		<b>(1,242)</b>	(714)
Loss on change in fair value of investment properties		<b>(600)</b>	–
Administrative expenses		<b>(28,202)</b>	(32,752)
Share of loss of a joint venture		<b>(73)</b>	(22)
Finance costs		<u><b>(2,215)</b></u>	<u>(1,753)</u>
Profit before taxation	<i>7</i>	<b>12,661</b>	28,895
Taxation	<i>8</i>	<u><b>(555)</b></u>	<u>(4,270)</u>
Profit for the year		<u><b>12,106</b></u>	<u>24,625</u>
Other comprehensive (expense) income:			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations		<u><b>(6,251)</b></u>	<u>2,639</u>
Total comprehensive income for the year		<u><b>5,855</b></u>	<u>27,264</u>
Earnings per share			
basic (HK\$)	<i>10</i>	<u><b>0.03</b></u>	<u>0.06</u>
diluted (HK\$)	<i>10</i>	<u><b>0.03</b></u>	<u>0.06</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2023

	NOTES	2023 HK\$'000	2022 HK\$'000
Non-current assets			
Investment properties		29,800	30,400
Property, plant and equipment		116,011	124,228
Right-of-use assets		4,961	5,292
Interest in a joint venture		6,714	6,938
Loan to a joint venture		72,715	65,840
Deferred tax assets		1,724	1,064
		<u>231,925</u>	<u>233,762</u>
Current assets			
Inventories		61,290	76,665
Debtors, deposits and prepayments	11	155,564	137,311
Contract assets		132,865	134,664
Tax recoverables		–	85
Amount due from a joint venture		–	75
Bank balances and cash		77,564	86,563
		<u>427,283</u>	<u>435,363</u>
Current liabilities			
Trade and other payables	12	50,442	50,408
Provisions		15,751	10,793
Contract liabilities		21	877
Tax payable		6,940	8,063
Lease liabilities		184	100
Deferred income		57	50
		<u>73,395</u>	<u>70,291</u>
Net current assets		<u>353,888</u>	<u>365,072</u>
Total assets less current liabilities		<u>585,813</u>	<u>598,834</u>
Non-current liabilities			
Provisions		53,518	59,378
Lease liabilities		167	–
Deferred income		84	123
		<u>53,769</u>	<u>59,501</u>
		<u>532,044</u>	<u>539,333</u>
Capital and reserves			
Share capital	13	41,760	41,869
Reserves		490,284	497,464
		<u>532,044</u>	<u>539,333</u>

## 1. GENERAL

The Company was incorporated and registered in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of Cayman Islands. Its shares were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”) which is the functional currency of the Company.

The Company is an investment holding company and its subsidiaries are principally engaged in design, supply and installation of aluminium windows and curtain walls.

## 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

### **Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Company and its subsidiaries (collectively referred to as the “**Group**”) have applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2022 for the preparation of the consolidated financial statements:

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 application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 3. REVENUE

Revenue represents the fair value of amounts received and receivable from the provision of design, supply and installation of aluminium windows and curtain walls services by the Group to external customers which is recognised over time as the Group's contract work enhances an asset that the external customers control as the Group performs. The Group's revenue is derived from long-term contracts in relation to provision of design, supply and installation of aluminium windows and curtain walls services in Hong Kong and Mainland China during the year.

	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
Provision of design, supply and installation of aluminium windows and curtain walls services	<b>607,198</b>	717,652

The customers of the Group are mainly property developers and main contractors in Hong Kong and Mainland China. All of the Group's provision of design, supply and installation of aluminium windows and curtain walls services are made directly with the customers. Contracts with the Group's customers are mainly fixed-price contracts, except for the variation orders.

#### Disaggregation of revenue

##### *By contract type*

	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
Design, supply and installation for curtain walls, aluminium windows, doors and other products for new buildings ( <i>notes i and ii</i> )	<b>453,984</b>	612,097
Design, supply and installation for aluminium windows, doors and other products for new buildings ( <i>note ii</i> )	<b>130,443</b>	99,053
Design, supply and installation for renovation works for existing buildings	–	743
Repairing, maintenance and others ( <i>note iii</i> )	<b>22,771</b>	5,759
Total	<b>607,198</b>	717,652

##### *Notes:*

- (i) The contract type involves aluminium windows, doors and other products in addition to curtain walls. The curtain walls are the principal products for the contract type and the principal revenue from this contract type is also from curtain walls.
- (ii) Other products represent balustrade, louvre, cladding, window wall, canopy and grille.
- (iii) Others mainly represent mock up and window testing.

## Performance obligations for contract with customers

The Group provides design, supply and installation of aluminium windows and curtain walls services under long-term contracts with customers. Such contracts are entered into before the design, supply and installation of aluminium windows and curtain walls services begin. The Group's supply and installation of aluminium windows and curtain walls enhances an asset that the external customers control as the Group performs. Revenue from provision of design, supply and installation of aluminium windows and curtain walls services is therefore recognised over time using output method, i.e. based on units of products installed or based on surveys of supply and installation of aluminium windows and curtain walls services completed by the Group to date as certified by independent surveyors appointed by the customers in relation to the work completed by the Group.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed. The contract assets are transferred to trade debtors when the rights become unconditional.

Retention money, prior to expiration of defect liability period, are classified as contract assets, which ranges from one to three years from the date of the practical completion of the construction. The relevant amount of contract asset is reclassified to trade debtors when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed-upon specifications and such assurance cannot be purchased separately.

## Transaction price allocated to the remaining performance obligations for contracts with customers

Transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of reporting period and the expected timing of recognising revenue are as follows:

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within one year	<b>513,730</b>	725,513
More than one year but not more than two years	<b>430,825</b>	353,103
	<b><u>944,555</u></b>	<u>1,078,616</u>

#### 4. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment focuses on revenue analysis by contract type. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

##### Geographical information

Information about the Group's revenue from external customers is presented based on the geographical location of the projects:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong	564,338	702,734
Mainland China	42,860	14,918
	<u>607,198</u>	<u>717,652</u>

Information about the Group's non-current assets (excluding deferred tax assets and financial instruments) is presented based on the location of assets:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong	142,800	149,038
Mainland China	14,686	17,820
	<u>157,486</u>	<u>166,858</u>

##### Information about major customers

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Customer a	158,121	291,439
Customer b	128,773	N/A <sup>1</sup>
Customer c	116,997	136,283
Customer d	83,861	N/A <sup>1</sup>
Customer e	N/A <sup>1</sup>	117,186
	<u>N/A<sup>1</sup></u>	<u>117,186</u>

<sup>1</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.



## 5. OTHER INCOME

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Interest income	1,238	1,664
Rental income	997	1,003
Sales of scrap materials	1,198	4,413
Government grants ( <i>note</i> )	3,889	44
Others	168	–
	<u>7,490</u>	<u>7,124</u>

*Note:* During the year ended 31 March 2023, the Group recognised government grants of HK\$3,824,000 (2022: nil) in respect of Covid-19-related subsidies relates to Employment Support Scheme provided by the Hong Kong Government.

## 6. OTHER GAINS AND LOSSES

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Exchange (losses) gains	<u>(344)</u>	<u>2,452</u>

## 7. PROFIT BEFORE TAXATION

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging (crediting):		
Directors' emoluments		
Fees	2,200	2,103
Other emoluments	<u>3,873</u>	<u>7,512</u>
	6,073	9,615
Other staff costs		
Salaries and other benefits	82,669	80,742
Retirement benefits scheme contributions for other staff	<u>5,863</u>	<u>5,875</u>
Total staff costs	94,605	96,232
<i>Less: Staff costs included in cost of inventories</i>	<u>(16,317)</u>	<u>(16,777)</u>
	<u>78,288</u>	<u>79,455</u>
Depreciation of right-of-use assets	403	438
Depreciation of property, plant and equipment	7,747	7,941
<i>Less: Depreciation expenses capitalised in inventories</i>	<u>(2,308)</u>	<u>(2,204)</u>
	<u>5,842</u>	<u>6,175</u>
Auditor's remuneration	1,655	1,576
Cost of inventories recognised as expenses	<u><u>242,220</u></u>	<u><u>316,577</u></u>

## 8. TAXATION

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
The taxation charge (credit) comprises:		
Current taxation		
Hong Kong Profits Tax		
Current year	<b>1,278</b>	5,357
Overprovision	<b>(63)</b>	(602)
	<b>1,215</b>	4,755
Deferred taxation	<b>(660)</b>	(485)
	<b>555</b>	4,270

Hong Kong Profits Tax for both years is calculated at 16.5% of the estimated assessable profits for the year, except for the group entity which is a qualifying corporation under the two-tiered profits tax rates regime. For this group entity, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Under the Law of the Peoples's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%. No provision for taxation in the PRC recognised for the year ended 31 March 2022 and 2023 as there was no assessable profit for both years.

## 9. DIVIDENDS

	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
Dividends for ordinary shareholders of the Company recognised at distribution during the year:		
2023 first interim dividend – HK0.8 cents per share (2022: 2022 first interim dividend – HK1.6 cents per share)	<b>3,347</b>	6,732
2022 second interim dividend – HK2.1 cents per share (2021: 2021 second interim dividend – HK2.6 cents per share)	<b>8,792</b>	11,030
	<b>12,139</b>	17,762
	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
Proposed second interim dividend for the financial year ended 31 March 2023 of HK1.7 cents per share (2022: for the financial year ended 31 March 2022 of HK2.1 cents per share)	<b>7,079</b>	8,792

## 10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company for the year is based on the following data:

	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
<u>Earnings</u>		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	<b>12,106</b>	24,625
	<b>Number of shares</b>	
	<b>2023</b>	2022
<u>Weighted average number of shares</u>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>418,320,118</b>	422,180,364
Effect of dilutive potential ordinary shares:		
Adjustment in relation to share option granted by the Company	<b>54,132</b>	2,727,843
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>418,374,250</b>	424,908,207

The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share has been taken into account the ordinary shares repurchased from the market during the years ended 31 March 2022 and 2023 including those cancelled after the respective reporting date.

## 11. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group allows a credit period of 30 to 90 days to its customers. Before accepting any new customer, the Group will internally assess the credit quality of the potential customers and define appropriate credit limit. Other receivables are unsecured, interest-free and repayable on demand.

The following is an aged analysis of the trade debtors presented based on the right to consideration became unconditional/invoice date at the end of the reporting period:

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within 30 days	<b>58,847</b>	44,622
31 – 60 days	<b>28,793</b>	21,604
61 – 90 days	<b>6,958</b>	23,626
Over 90 days	<b>37,868</b>	20,735
	<u><b>132,466</b></u>	<u>110,587</u>

## 12. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within 30 days	<b>5,834</b>	3,692
31 – 60 days	<b>115</b>	2,760
61 – 90 days	<b>412</b>	3,315
Over 90 days	<b>610</b>	1,186
	<u><b>6,971</b></u>	<u>10,953</u>

### 13. SHARE CAPITAL

	<i>Notes</i>	<b>Number of shares</b>	<b>Share capital</b> <i>HK\$'000</i>
Ordinary shares of HK\$0.1 each			
Authorised:			
As at 1 April 2021, 31 March 2022 and 31 March 2023		<u>5,000,000,000</u>	<u>500,000</u>
Issued and fully paid:			
At 1 April 2021		442,657,630	44,266
Issue of shares upon exercise of share options	<i>(i)</i>	2,658,000	266
Repurchased and cancelled	<i>(ii)</i>	<u>(26,634,000)</u>	<u>(2,663)</u>
As at 31 March 2022		418,681,630	41,869
Repurchased and cancelled	<i>(ii)</i>	<u>(1,080,000)</u>	<u>(109)</u>
At 31 March 2023		<u>417,601,630</u>	<u>41,760</u>

*Notes:*

- (i) The new shares issued rank pari passu in all respects with the existing shares in issue.
- (ii) The Company repurchased 2,254,000 shares (2022: 20,836,000 shares) on the market during the year ended 31 March 2023 for an aggregated consideration paid of approximately HK\$997,000 (2022: HK\$17,464,000), in which 1,050,000 shares (2022: 20,806,000 shares) were cancelled during the year ended 31 March 2023 and 1,204,000 shares (2022: 30,000 shares) were cancelled after the reporting date.

## **OPERATIONS REVIEW**

### **Overview**

For the year ended 31 March 2023, the Group's revenue was HK\$607.2 million compared with that of HK\$717.7 million last year.

The total outstanding amount of contracts on hand as at 31 March 2023 for the Group amounted to HK\$944.6 million.

### **Major Projects Completed During the Year**

- (1) Residential development at Site A and Estate Road of Wong Chuk Hang Station property development, Aberdeen Inland Lot No. 467 – Design, supply and installation of aluminium and glass facade at podium and transfer plate
- (2) Residential development at 233-235 Prince Edward Road West, Kowloon – Design, supply and installation of curtain wall and sliding door
- (3) Residential development at N.K.I.L. 6563, Kai Tak, Kowloon – Design, supply and installation of curtain wall system, glass and metal works
- (4) Composite development at 34-38 Belcher's Street, Kennedy Town, Hong Kong – Design, supply and installation of curtain wall, sliding door, glass canopy, window wall and glass wall system

### **Major Projects Undertaken During the Year**

- (1) Residential development at TMTL 483, Siu Hong, Tuen Mun, New Territories – Design, supply and installation of curtain wall system
- (2) Residential development at Lot No. 1068 in Survey District, No. 3 Off Anderson Road, Kwun Tong, Kowloon – Design, supply and installation of aluminium window and glass wall
- (3) Residential development at TPTL 230, Tai Po Road, Tai Po Kau, New Territories – Design, supply and installation of curtain wall, canopies, windows, doors, claddings, louvres and glass balustrades

- (4) Residential development at N.K.I.L. 6579, Lung Cheung Road, Kowloon – Design, supply and installation of curtain wall system, aluminium window/louvre, glass and metal works
- (5) Composite development at No. 11 Ngau Tau Kok Road, Kowloon – Design, supply and installation of curtain wall, glass wall, aluminium metal grille, glass balustrade and metal railing

### **Major Projects Awarded During the Year**

- (1) Residential development at Ho Man Tin Station Package One, K.I.L. 11264, Kowloon – Design, supply and installation of window and louvre
- (2) Residential development at Ho Man Tin Station Package One, K.I.L. 11264, Kowloon – Design, supply and installation of external facade works
- (3) Residential development at T6 & T8 for YLTL510, Yuen Long Station, New Territories – Design, supply and installation of acoustic panel
- (4) Residential development at TPTL 244, Pak Shek Kok, Tai Po, New Territories – Design, supply and installation of curtain wall system, phase 2 (T1 to T9, T17A & T17B)



## **FINANCIAL REVIEW**

### **Group Liquidity and Financial Resources**

The Group mainly financed its operations through internally generated cash flows and utilised the banking facilities for performance bonds for carrying out its projects during the year ended 31 March 2023. In the long term, the directors of the Company believe that the Group's operation will continue to be financed in this way. The Group had access to facilities from banks with an aggregate amount of HK\$430.0 million, of which HK\$145.6 million has been utilised for performance bonds as at 31 March 2023. There was no bank loans drawn down by the Group as at 31 March 2023. The performance bonds under these banking facilities bear charges at prevailing market condition.

The Group is prudent in managing its cash balance and maintains sound cash flow generating capability. The total cash and bank balances of the Group amounted to HK\$77.6 million as at 31 March 2023 (31 March 2022: HK\$86.6 million), which accounted for 18.2% of the current assets (31 March 2022: 19.9%).

During the year ended 31 March 2023, the Group had a net cash inflow of HK\$14.9 million in its operating activities (mainly due to decrease in inventories and net provisions recognised), a net cash outflow of HK\$5.9 million in its investing activities (mainly due to the loan to a joint venture) and a net cash outflow of HK\$13.3 million in its financing activities (mainly due to dividends paid and amounts paid for share repurchase). As at 31 March 2023, the Group was in a net cash position as there was no bank loans outstanding and the gearing ratio was not applicable. As at 31 March 2023, the Group's net current assets was HK\$353.9 million (31 March 2022: HK\$365.1 million) and the current ratio (current assets divided by current liabilities) was 5.8 times (31 March 2022: 6.2 times).

With its sufficient cash balances and banking facilities available, the Group's liquidity position will remain healthy in the coming year, with sufficient financial resources to meet its obligations, operation and future development requirements.

### **Treasury Policy**

The Group's treasury policy aims to minimise its exposure to fluctuations in the exchange rate and not to engage in any highly leveraged or speculative derivative products. Foreign currency exposures of the Group arise mainly from the purchase of raw materials using Renminbi in the Mainland China. The Group currently does not have any hedging arrangements to control the risks related to fluctuations in exchange rates, and will determine if any hedging is required, depending upon the size and nature of the exposure, and the prevailing market circumstances.

The Group does not have significant exposure to gains or losses arising from the movement of foreign currency exchange rate against the Hong Kong dollar as most of the income, expenses, assets and liabilities of the Group are denominated in Hong Kong dollar.

### **Shareholders' Funds**

As at 31 March 2023, the shareholders' funds of the Group were HK\$532.0 million, including reserves of HK\$490.3 million, a decrease of HK\$7.2 million from HK\$497.5 million as at 31 March 2022. The consolidated net asset value of the Group as at 31 March 2023 was HK\$1.27 per share, compared to the consolidated net asset value of HK\$1.29 per share as at 31 March 2022. The decrease in shareholders' funds was mainly attributable to the dividends paid to shareholders and repurchase of shares, netting off profits earned during the current year.

### **Capital Structure**

The capital structure of the Group consists of equity, comprising share capital and reserves. As at 31 March 2023 and 31 March 2022, there was no bank loans.

### **Investment in a Joint Venture**

The Group's investment in a joint venture as at 31 March 2023 represents its 50% interest in the redevelopment project at No. 55 Nga Tsin Wai Road, Kowloon, Hong Kong, comprises interest in a joint venture of HK\$6.7 million (31 March 2022: HK\$6.9 million) and loan to a joint venture of HK\$72.7 million (31 March 2022: HK\$65.8 million). The redevelopment project is in the demolition stage and the shared loss of the joint venture during the year ended 31 March 2023 amounted to HK\$73,000 (for the year ended 31 March 2022: HK\$22,000).

### **Major Acquisitions and Disposals**

There was no material acquisition and disposals that should be notified to the shareholders of the Company during the year ended 31 March 2023.

### **Details of Charges on Assets**

As at 31 March 2023, the Group did not pledge any assets to banks or other financial institutions (31 March 2022: nil).

## Performance Bonds and Contingent Liabilities

As at 31 March 2023, the Group had outstanding performance bonds in respect of construction contracts amounting to HK\$145.6 million (31 March 2022: HK\$156.1 million).

A subsidiary of the Company provided a corporate guarantee of proportionate share to a bank for securing a banking facility granted to a joint venture to finance the development in No. 55 Nga Tsin Wai Road. As at 31 March 2023, 50% proportionate share of the bank loan balance is HK\$63.1 million (31 March 2022: HK\$63.1 million).

Save as disclosed above, the Group did not have significant contingent liabilities as at 31 March 2023 and 31 March 2022.

## Commitment

The Group's share of the commitment made jointly with a joint venturer relating to a joint venture, but not recognised at the end of the reporting period is as follows:

	<b>31.3.2023</b>	31.3.2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Commitment to provide loan	<b><u>93,575</u></b>	<u>99,600</u>

The Group will finance its portion of commitment from its internal resources.

Save as disclosed above, the Group had no material commitment as at 31 March 2023 (31 March 2022: nil).

## Employees and Remuneration Policy

As at 31 March 2023, the Group had 245 full time employees (of which 100 employees were in the Mainland China). The Group offers competitive remuneration packages, including discretionary bonus and share option scheme, and depending on the position, cash allowances, to its employees. The Group also provides retirement schemes, medical benefits, on-the-job training to its employees and sponsors its employees to attend various external training courses.

## **BUSINESS REVIEW**

In 2022, Hong Kong's economy weakened significantly due to the fifth wave of the COVID-19 pandemic, deteriorating external environment and tightening financial conditions with a decrease of 3.5% in the real GDP throughout the year. Strict social distancing measures were implemented in mainland China, hindering the flow of people and logistics. The pandemic has also infected many people, requiring strict pandemic prevention measures to control the spread of the pandemic, which has affected the deployment of human resources of the Group and business partners. As a result, the work programmes of the construction sites were delayed, requiring more project cost to speed up project progress a later stage.

As the pandemic began to be under control in the second half of 2022, the conditions of the infected people have improved, and construction material prices have also stabilised. The business operations of the Group have gradually returned to normal, resulting in an improvement in the performance of the second half of the financial year.

In addition, the Group's unfinished contracts on hand have decreased, mainly due to the fierce competition of new construction contracts among the industry, and the Group has adopted a conservative strategy to bid. The Group will review and control project costs, utilise the project standardization method to bid for new construction contracts.

## **PROSPECTS**

As the pandemic eases, all social distance measures have been lifted. Hong Kong's economic outlook will improve as economic activities return to normal from the pandemic. These can boost private consumption, and a booming labour market can also provide support for the economy. In addition, the government will continue to increase investment in infrastructure to support Hong Kong's future economic development.

Nonetheless, as an export-oriented economy, Hong Kong is vulnerable to external factors. It is expected that the central banks of advanced economies will continue to raise interest rates and keep them at a high level for a period of time. As a result, Hong Kong's interest rates will also remain at a high level, which is detrimental to economic development. In addition, tensions in Ukraine, debt distress in emerging markets and developing economies, and high inflationary pressures will bring uncertainty to Hong Kong's economic development.

In respect of the industry prospect, although it is expected that the government will continue to increase investment in infrastructure and introduce foreign workers appropriately to solve worker shortage in the future, still the current industry competition is fierce, and it is estimated to last for some time in the future, causing pressures on the gross margins of new projects. The Group will strive to control costs and monitor project quality, so that customers will be satisfied and will continue to grant new project contracts to the Group.

The Group currently has sufficient outstanding contracts on hand which amounted to HK\$944.6 million as at 31 March 2023 and revenue is expected to remain stable in the coming year. The Group will strive to provide customers with quality products and services, establish a good reputation and lay a solid foundation for future development.

## **CORPORATE GOVERNANCE**

The directors of the Company recognise the importance of good corporate governance practices for protection of the interests of the shareholders and are keen on maintaining high standards of corporate governance. This is reflected in terms of a quality Board and the emphasis on transparency and accountability.

During the year ended 31 March 2023, the Company has complied with all the Code Provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) except for the following deviation:

- Code Provision C.1.6 of the CG Code stipulates that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders of the Company. Mr. Cha Mou Daid, Johnson, Mr. Chuk Kin Lun and Mr. Chung Sam Tin Abraham, the non-executive directors of the Company, were unable to attend the Company’s 2022 annual general meeting due to other important engagements.

### **Model Code for Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the guideline for securities transactions by directors and employees who are likely to be in possession of inside information of the Company.

Specific enquiry has been made to all directors of the Company and all directors have confirmed that they have complied with the Model Code during the year ended 31 March 2023. No incident of non-compliance of the Model Code by the employees was noted by the Company.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2023, the Company repurchased 2,254,000 shares of the Company on the market pursuant to the general mandate granted by the then shareholders at the annual general meeting held on 23 August 2022. The aggregate consideration paid (excluding transaction costs) for this repurchase was approximately HK\$997,000. 1,050,000 shares of these repurchased shares were cancelled during the year and the remaining 1,204,000 shares were subsequently cancelled in May 2023.

Month of repurchase	Number of ordinary shares repurchased	Purchase price paid per share		Aggregate consideration paid (excluding transaction costs)
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>	<i>HK\$'000</i>
November 2022	314,000	0.425	0.390	131
December 2022	736,000	0.450	0.440	325
March 2023	<u>1,204,000</u>	0.450	0.450	<u>541</u>
	<u><u>2,254,000</u></u>			<u><u>997</u></u>

Save as disclosed above, during the year ended 31 March 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## REVIEW OF ANNUAL RESULTS

The Group's consolidated financial statements for the year ended 31 March 2023 have been reviewed by the Audit Committee of the Company.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

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 year ended 31 March 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements of the Group for the year as approved by the Board on 20 June 2023. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

By order of the Board  
**Million Hope Industries Holdings Limited**  
**Wong Sue Toa, Stewart**  
*Chairman*

Hong Kong, 20 June 2023

*As at the date of this announcement, the Board comprises:*

***Non-executive Chairman***

Mr. Wong Sue Toa, Stewart

***Non-executive Directors***

Mr. Cha Mou Daid, Johnson  
Mr. Chuk Kin Lun  
Mr. Chung Sam Tin Abraham  
Mr. Tai Sai Ho

***Executive Directors***

Mr. Lee Cheuk Hung (*Managing Director*)  
Mr. Wong Kin

***Independent Non-executive Directors***

Mr. Chau On Ta Yuen  
Professor Ho Richard Yan Ki  
Mr. Poon Kan Young  
Mr. Yip Kai Yung

*In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*