

Yield Go Holdings Ltd.

耀高控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code : 1796

2023
Interim Report

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Man Hoi Yuen (*Chairman*)
Ms. Ng Yuen Chun
Mr. Ho Chi Hong
Mr. Zheng Gang
Mr. Lin Zheng
Mr. Zheng Chenhui

Non-executive Directors

Mr. Chen Jian
Mr. Chen Yidong

Independent Non-executive Directors

Mr. Chan Ka Yu
Dr. Lo Ki Chiu
Mr. Leung Wai Lim
Mr. Ma Hon Yiu

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Mr. Siu Wing Kin

AUTHORISED REPRESENTATIVES

Mr. Ho Chi Hong
Mr. Siu Wing Kin

REGISTERED OFFICE

Cricket square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Cable TV Tower
No. 9 Hoi Shing Road
Tsuen Wan, New Territories
Hong Kong

LEGAL ADVISER

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

**CAYMAN ISLANDS PRINCIPAL
SHARE REGISTRAR
AND TRANSFER OFFICE**

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

**HONG KONG BRANCH SHARE
REGISTRAR AND TRANSFER
OFFICE**

Boardroom Share Registrars (HK) Limited
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North Point
Hong Kong

AUDITORS

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

PRINCIPAL BANK

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

COMPANY'S WEBSITE

www.yield-go.com

STOCK CODE

1796

MANAGEMENT DISCUSSION AND ANALYSIS

The Board (the “Board”) of directors (the “Directors”) of Yield Go Holdings Ltd. (the “Company”) is pleased to present the interim financial report of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2023, together with the comparative figures for the corresponding six months ended 30 September 2022.

INDUSTRY REVIEW

In the first half of 2023, Hong Kong made significant strides towards economic recovery following the reopening of its borders with mainland China. The government’s strategic initiatives aimed at attracting tourists and boosting local consumption have had a positive impact, contributing to a 2.2% year-on-year growth in real GDP and a reduced unemployment rate of 2.8%. These efforts have also been recognised globally, with Hong Kong maintaining its position as one of the most competitive global economies, ranking seventh, according to the World Competitiveness Yearbook 2023 by the International Institute for Management Development.

Private consumption surged in the second quarter, with an 8.2% year-on-year increase. Retail sales in July and August rebounded impressively, reaching roughly 85% of 2018 levels. In contrast, the residential property market displayed resilience in the first quarter but underwent a slight consolidation in the second. This change in sentiment can be attributed to global economic uncertainties, local interest rate hikes, and expectations of further rate increases by the US Federal Reserve. Transaction volumes in the residential property market decreased by 18% year-on-year.

The fitting-out industry witnessed an upturn in demand from commercial properties, while the residential fitting-out sector exhibited signs of a slowdown. Notably, transportation conditions returned to pre-pandemic levels, allowing fitting-out industry stakeholders to maintain reasonable operational efficiency. In general, despite challenges, the fitting-out industry is transitioning towards a more positive environment, buoyed by the city’s stable housing and real estate market demand.

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 ending on 30 September 2023, the Group witnessed a substantial increase in revenue, amounting to approximately HK\$218.0 million. This marked an impressive growth of about 124.0%, compared to the approximately HK\$97.3 million generated during the same period in 2022. This remarkable upswing can be primarily attributed to the overall improvement in economic conditions following the novel coronavirus (“COVID-19”) pandemic, which resulted in a surge of substantial fitting-out projects entering the market.

In alignment with the growth in revenue and the Group’s consistent cost control efforts, its gross profit also saw a notable increase, reaching approximately HK\$10.7 million. This represents a year-on-year growth rate of approximately 62.1%. However, it’s worth noting that the growth rate in gross profit, while significant, doesn’t match the magnitude of the revenue increase. This discrepancy is partially attributed to price increases in various operational aspects due to the ongoing economic recovery.

Looking forward, the Hong Kong government’s November 2023 economic forecast anticipates a real GDP growth rate of 3.2% for the year, with underlying inflation projected at 1.8%. Though inflation is predicted to ease due to reduced external price pressures, domestic business costs might experience slight upward pressure with economic recovery.

In October, the 2023 Policy Address from the Hong Kong Government outlined its commitment to creating a liveable and vibrant city. This vision is to be realised by increasing the number of public housing units, enhancing land supplies, expediting urban renewal projects, and offering financial assistance to owners of older building units for renovation and safety enhancements. These initiatives are projected to generate a significant demand for fitting-out projects within the city.

In light of these economic indicators and market conditions, the fitting-out industry can expect a positive environment for recovery in the near term. By staying flexible, seizing opportunities, and actively contributing to industry resilience, the Group believes that it is well-placed to thrive in Hong Kong’s evolving economic landscape.

FINANCIAL REVIEW

REVENUE

During the six months ended 30 September 2023, the Group's revenue increased by approximately HK\$120.7 million or 124.0% to approximately HK\$218.0 million (six months ended 30 September 2022: approximately HK\$97.3 million). Such increase in revenue was primarily due to the increase in number of sizeable projects undertaken by the Company and available in the market following the economic recovery after the COVID-19 pandemic during the six months ended 30 September 2023.

GROSS PROFIT AND GROSS PROFIT MARGIN

During the six months ended 30 September 2023, the Group's gross profit increased by approximately HK\$4.1 million or 62.1% to approximately HK\$10.7 million (six months ended 30 September 2022: approximately HK\$6.6 million). During the six months ended 30 September 2023, the Group's gross profit margin was approximately 4.9% (six months ended 30 September 2022: approximately 6.8%). Such increase in gross profit was primarily attributable to increase in the sizeable project undertaken by the Company during the period.

OTHER GAINS

The Group recorded bank interest income of approximately HK\$1,000 (six months ended 30 September 2022: nil) during the six months ended 30 September 2023.

ADMINISTRATIVE AND OTHER OPERATING EXPENSES

The Group incurred administrative and other operating expenses of approximately HK\$8.1 million for the six months ended 30 September 2023 compared to approximately HK\$8.7 million for the corresponding period in 2022, representing a 6.9% decrease. This was mainly due to the combined effect of decrease in legal and professional fees incurred and increase in salary during the six months ended 30 September 2023.

FINANCE COSTS

During the six months ended 30 September 2023, the Group's finance costs increased by approximately HK\$0.3 million or 11.5% compared to the six months ended 30 September 2022, from approximately HK\$2.6 million to approximately HK\$2.9 million. The increase was primarily due to the existing borrowing started from May 2022, with only five months interest recorded during the six months ended 30 September 2022 as compared to the six months ended 30 September 2023.

NET LOSS

For the six months ended 30 September 2023, the Group recorded net loss of approximately HK\$0.4 million, representing a decrease of HK\$4.3 million compared to approximately HK\$4.7 million for the corresponding period in 2022. Such decrease was mainly due to the increase in the revenue and gross profit following the continued overall economic recovery 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 2023. The capital of the Company comprises only ordinary shares.

As at 30 September 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 30 September 2023, the Group had total cash and cash equivalents and restricted cash of approximately HK\$40.3 million (31 March 2023: approximately HK\$20.1 million). The increase was due to the aggregate net cash generated from operating activities of approximately HK\$20.2 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 48.5% as at 31 March 2023 to approximately 50.8% as at 30 September 2023. The increase was primarily due to increase in interest payables during the six months ended 30 September 2023.

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 report, 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 2023.

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 2023 HK\$'000	As at 31 March 2023 HK\$'000
Property, plant and equipment	92	92

The Group had no material contingent liabilities as at 30 September 2023 (31 March 2023: nil).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the six months ended 30 September 2023, 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 2023.

CHANGE OF CONTROLLING SHAREHOLDERS

As disclosed in the joint announcement dated 10 October 2023 (the “Joint Announcement”) jointly issued by the Company and Yuan Feng Ventures Limited (the “Offeror”), on 22 September 2023 (before trading hours of the Stock Exchange), Hoi Lang Holdings Ltd. the vendor (the “Vendor”), as charge under the Share Charge (as defined in the Joint Announcement) and by way of exercising its power of sale under the Share Charge, and the Offeror entered into the sale and purchase agreement (the “Sale and Purchase Agreement”), pursuant to which the Vendor agreed to sell, and the Offeror agreed to purchase, 360,000,000 Shares (the “Sale Shares”), representing 75% of the entire issued share capital of the Company as at 10 October 2023, for an aggregate consideration of HK\$165,700,000, equivalent to approximately HK\$0.4603 per Sale Share.

Completion took place on 22 September 2023 (the “Completion”) immediately after the entering into of the Sale and Purchase Agreement. Immediately upon the Completion, the Offeror and the parties acting in concert with it own 360,000,000 Shares, representing 75.0% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of The Codes on Takeovers and Mergers and Share Buy-backs, an unconditional mandatory cash offer (the “Offer”) will be made by Head & Shoulders Securities Limited, for and on behalf of the Offeror, to acquire all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it) at HK\$0.4603 per Share.

The Offeror are in the course of preparing for the Composite Document in relation to the Offer. As disclosed in the further delay in despatch announcement dated 15 November 2023, an application has been made to the Executive for a waiver from strict compliance with the requirement under Rule 8.2 of the Takeovers Code to further extend the deadline for the despatch of the Composite Document to a date falling on or before 29 November 2023. The Executive has indicated that it is minded to grant such extension. Further announcement(s) will be made when the Composite Document (accompanied by the form(s) of acceptance) is despatched or in the event of any changes to the expected timetable.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2023, the Group employed a total of 67 full-time employees (including six executive Directors and two non-executive Directors but excluding four independent non-executive Directors) (as at 31 March 2023: 58). 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 2023 was approximately HK\$11.5 million (six months ended 30 September 2022: approximately HK\$10.0 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 2023 (six months ended 30 September 2022: nil).

EVENT AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Group after 30 September 2023 and up to the date of this report.

REVIEW OF INTERIM RESULTS

The Group's interim results for the six months ended 30 September 2023 have not been audited, but have been reviewed by the audit committee of the Company (the "Audit Committee"). The interim results for the six months ended 30 September 2023 have also been reviewed by auditor, 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 2023.

INDEPENDENT REVIEW REPORT

To the board of directors of Yield Go Holdings Ltd.

(incorporated in the Cayman Islands with limited liability)



INTRODUCTION

We have reviewed the condensed consolidated interim financial statements of Yield Go Holdings Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages 13 to 34 which comprise the condensed consolidated statement of financial position as at 30 September 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of condensed consolidated interim financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of these condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Grant Thornton Hong Kong Limited

Certified Public Accountants

11th Floor

Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong

17 November 2023

Chi-Kit Shaw

Practising Certificate No.: P04834

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 September 2023

	Notes	Six months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	5	218,039	97,288
Direct costs		(207,354)	(90,645)
Gross profit		10,685	6,643
Other gains	6	1	–
Administrative and other operating expenses		(8,111)	(8,673)
Finance costs	7	(2,925)	(2,623)
Loss before income tax	8	(350)	(4,653)
Income tax	9	-	–
Loss and total comprehensive expense for the period attributable to equity holders of the Company		(350)	(4,653)
		HK cents	HK cents
Loss per share attributable to equity holders of the Company			
– Basic and diluted	11	(0.07)	(0.97)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	95	190
Right-of-use assets		1,296	1,772
		1,391	1,962
Current assets			
Trade and other receivables	13	38,173	45,206
Contract assets	14	129,239	127,929
Cash and bank balances	15	37,247	17,087
Restricted cash	16	3,046	3,046
		207,705	193,268
Current liabilities			
Trade and other payables	17	38,263	24,439
Contract liabilities	14	702	2,735
Borrowings	19	48,000	–
Interest payables		7,985	–
Lease liabilities	18	922	927
		95,872	28,101
Net current assets		111,833	165,167
Total assets less current liabilities		113,224	167,129

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 30 September 2023

	Notes	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Non-current liabilities			
Borrowings	19	–	48,000
Interest payables		–	5,097
Lease liabilities	18	392	850
		392	53,947
Net assets			
		112,832	113,182
CAPITAL AND RESERVES			
Share capital	20	4,800	4,800
Reserves		108,032	108,382
Total equity			
		112,832	113,182

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2023

	Share capital HK\$'000	Share premium* HK\$'000	Other reserve* HK\$'000	Retained earnings* HK\$'000	Total HK\$'000
Balance as at 1 April 2022					
(audited)	4,800	105,059	200	21,786	131,845
Loss and total comprehensive expense for the period	–	–	–	(4,653)	(4,653)
Balance as at 30 September 2022					
(unaudited)	4,800	105,059	200	17,133	127,192
Balance as at 1 April 2023					
(audited)	4,800	105,059	200	3,123	113,182
Loss and total comprehensive expense for the period	–	–	–	(350)	(350)
Balance as at 30 September 2023					
(unaudited)	4,800	105,059	200	2,773	112,832

* These reserve accounts comprise the consolidated reserves of approximately HK\$108,032,000 as at 30 September 2023 (31 March 2023: approximately HK\$108,382,000) in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 September 2023

	Note	Six months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Cash flows from operating activities			
Net cash generated from operating activities		20,622	85
Cash flows from financing activities			
Interest received		1	–
Interest paid		–	(399)
Repayments of lease liabilities		(463)	(478)
Proceeds from borrowings		–	65,025
Repayments of borrowings		–	(60,496)
Decrease in amount due to a director		–	(1,285)
<i>Net cash (used in)/generated from financing activities</i>		(462)	2,367
Net increase in cash and cash equivalents		20,160	2,452
Cash and cash equivalents at beginning of the period		17,087	17,616
Cash and cash equivalents at end of the period represented by cash and bank balances	15	37,247	20,068

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 30 September 2023

1. GENERAL INFORMATION

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

The Company is an investment holding company. The Company and its subsidiaries (collectively referred as the “Group”) are principally engaged in fitting-out services and supply of fitting-out materials.

Since 22 September 2023, to the best knowledges of the directors, the Company’s immediate and ultimate holding company has been changed from Master Success International Investment Limited to Yuan Feng Ventures Limited, a company incorporated in Hong Kong. Yuan Feng Ventures Limited is in turn controlled by Ms. Huang Hou.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 September 2023 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 2023.

2. BASIS OF PREPARATION *(Continued)*

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 2023 have been prepared in accordance with the accounting policies adopted in the Group's annual consolidated financial statements for the year ended 31 March 2023, except for the adoption of the following certain new and amended HKFRSs effective as of 1 April 2023.

HKFRS 17	Insurance Contracts and related amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

4. ESTIMATES AND JUDGEMENTS

The preparation of the condensed consolidated interim financial statements require management to make accounting judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, those significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements of the Group for the year ended 31 March 2023.

5. 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 2023 and 2022 are as follows:

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue from contracts with customers		
By timing of revenue recognition:		
Control transferred over time	218,039	97,288
By type of services:		
Fitting-out services	218,039	97,288

5. REVENUE *(Continued)*

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	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Customer A ¹	211,141	74,711
Customer B ¹	N/A ²	20,097

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.

6. OTHER GAINS

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Bank interest income	1	–

7. FINANCE COSTS

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on borrowings	2,888	2,605
Finance charges on lease liabilities	37	18
	2,925	2,623

8. LOSS BEFORE INCOME TAX

	Six months ended 30 September	
	2023	2022
	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	11,094	9,615
Contributions to defined contribution retirement plans	431	391
	11,525	10,006

8. LOSS BEFORE INCOME TAX *(Continued)*

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(b) Other items		
Depreciation, included in:		
Direct costs		
– Owned assets	15	15
Administrative expenses		
– Owned assets	80	84
– Right-of-use assets	476	470
	571	569
Subcontracting charges (included in direct costs)	143,099	62,763
Cost of materials and finished goods	54,969	20,201
Auditor's remuneration	150	150
Write-off of retention receivables	1,000	–
Foreign exchange losses	38	70

Note:

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

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Direct costs	7,654	6,903
Administrative expenses	3,871	3,103
	11,525	10,006

9. INCOME TAX

No provision for the Hong Kong profits tax has been made for the six months ended 30 September 2023 as the Group incurred loss for tax purpose for the period (six months ended 30 September 2022: nil).

10. DIVIDENDS

No interim dividend was paid or proposed for ordinary shareholders of the Company during the six months ended 30 September 2023 (six months ended 30 September 2022: nil).

11. LOSS PER SHARE

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

	Six months ended 30 September	
	2023 (unaudited)	2022 (unaudited)
Loss attributable to equity holders of the Company (HK\$'000)	(350)	(4,653)
Weighted average number of ordinary shares in issue (in thousands)	480,000	480,000
Basic loss per share (HK cents)	(0.07)	(0.97)

The diluted loss per share is equal to the basic loss per share as there were no dilutive shares in issue during the six months ended 30 September 2023 and 2022.

12. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and office equipment HK\$'000	Motor vehicle HK\$'000	Leasehold improvement HK\$'000	Total HK\$'000
Cost				
As at 1 April 2022 and 31 March 2023 (audited)	990	1,444	1,722	4,156
Accumulated depreciation				
As at 1 April 2022 (audited)	604	1,444	1,722	3,770
Charge for the year	196	–	–	196
As at 31 March 2023 (audited)	800	1,444	1,722	3,966
Net book value				
As at 31 March 2023 (audited)	190	–	–	190
Cost				
As at 1 April 2023 (audited) and 30 September 2023 (unaudited)	990	1,444	1,722	4,156
Accumulated depreciation				
As at 1 April 2023 (audited)	800	1,444	1,722	3,966
Charge for the period	95	–	–	95
As at 30 September 2023 (unaudited)	895	1,444	1,722	4,061
Net book value				
As at 30 September 2023 (unaudited)	95	–	–	95

13. TRADE AND OTHER RECEIVABLES

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Trade receivables	15,199	23,984
Less: Expected credit losses (“ECL”) allowance	(3)	(3)
<hr/>		
Trade receivables – net (note (a))	15,196	23,981
Retention receivables (note (b))	15,197	16,456
Other receivables, deposits and prepayments (note (c))	7,780	4,769
<hr/>		
	38,173	45,206

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 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
0–30 days	15,156	23,981
31–60 days	40	–
<hr/>		
	15,196	23,981

During the six months ended 30 September 2023, no additional ECL allowance were made against the gross amount of trade receivables (31 March 2023: additional provision of ECL allowance of approximately HK\$2,000).

13. TRADE AND OTHER RECEIVABLES *(Continued)*

Notes: *(Continued)*

(b) Retention receivables

Retention receivables were not past due as at 30 September 2023, and were due for settlement in accordance with the terms of respective contract (31 March 2023: 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 2023 and 31 March 2023 are as follows:

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Due within one year	15,197	16,456

During the six months ended 30 September 2023, write-off of retention receivables amounted to HK\$1,000,000 (31 March 2023: nil) and no additional ECL allowance were made against the gross amount of retention receivables (31 March 2023: additional provision of ECL allowance of approximately HK\$274,000).

(c) Other receivables, deposits and prepayments

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Other receivables	815	1,107
Deposits	251	185
Prepayments (note (i))	6,817	3,580
	7,883	4,872
Less: ECL allowance (note (ii))	(103)	(103)
	7,780	4,769

13. TRADE AND OTHER RECEIVABLES *(Continued)*

Notes: *(Continued)*

(c) Other receivables, deposits and prepayments *(Continued)*

Notes:

- (i) Prepayment included payment in advance to suppliers of approximately HK\$6,266,000 (31 March 2023: HK\$3,001,000). The amount has been increased due to the new projects aroused.
- (ii) During the six months ended 30 September 2023, no additional ECL allowance were made against the gross amount of other receivables (31 March 2023: additional ECL allowance of approximately HK\$80,000).

14. CONTRACT ASSETS AND LIABILITIES

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

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Contract assets	129,323	128,013
Less: ECL allowance	(84)	(84)
Contract assets – net	129,239	127,929
Contract liabilities	(702)	(2,735)
	128,537	125,194

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional upon rendering of the billings. The contract liabilities primarily relate to the advanced consideration received from customers, for which revenue is recognised based on the progress of the provision of related services. During the six months ended 30 September 2023, no additional ECL allowance were made against the gross amounts of contract assets (31 March 2023: additional provision of ECL allowance of approximately HK\$40,000).

14. CONTRACT ASSETS AND LIABILITIES *(Continued)*

The following table shows how much of the revenue recognised in the respective reporting period relates to carried-forward contract assets and contract liabilities:

	Six months ended 30 September 2023 HK\$'000 (unaudited)	Year ended 31 March 2023 HK\$'000 (audited)
Revenue recognised that was included in the contract liabilities balance at the beginning of the period/year	2,735	485
Transfers from the contract assets recognised at the beginning of the period/year to trade receivables	(50,666)	(111,242)

15. CASH AND BANK BALANCES

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Cash at banks	37,247	17,087

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

16. 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.

17. TRADE AND OTHER PAYABLES

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Trade payables (note (a))	33,302	15,447
Accruals and other payables (note (b),(c))	4,961	8,992
	38,263	24,439

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 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
0–30 days	20,539	11,711
31–60 days	10,564	1,950
61–90 days	1,271	–
Over 90 days	928	1,786
	33,302	15,447

- (b) Accruals and other payables mainly comprise (i) accrued salaries of approximately HK\$3,378,000 (31 March 2023: HK\$2,340,000); (ii) accrued refund in relation to Employment Support Scheme for Construction Sector (Casual Employees) under Anti-epidemic Fund of approximately HK\$1,024,000 (31 March 2023: HK\$1,647,000); (iii) accrued professional fees of approximately HK\$413,000 (31 March 2023: HK\$904,000); and (iv) advance from subcontractor of approximately HK\$14,000 (31 March 2023: HK\$14,000).
- (c) The amount decreased due to the settlement of other payable to a sub-contractor during the six months ended 30 September 2023.

18. LEASE LIABILITIES

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

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Total minimum lease payments:		
Due within one year	964	991
Due after one year but within second year	397	870
	1,361	1,861
Future finance charges on lease liabilities	(47)	(84)
Present value of lease liabilities	1,314	1,777
Present value of minimum lease payments:		
Due within one year	922	927
Due after one year but within second year	392	850
	1,314	1,777
Less: Portion due within one year included under current liabilities	(922)	(927)
Portion due after one year included under non-current liabilities	392	850

Note:

As at 30 September 2023, the carrying amounts of the Group's right-of-use assets in relation to an office premise, a staff quarter and a carpark are HK\$1,296,000 (31 March 2023: HK\$1,772,000).

During the six months ended 30 September 2023, the Group had three (30 September 2022: three) lease agreements comprising one office premise, one staff quarter and one carpark (30 September 2022: one office premise, one staff quarter and one carpark) for 1 to 2 years with total cash outflows for the leases of HK\$500,000 (30 September 2022: HK\$496,000). The Group considered that no extension option or termination option would be exercised at the lease commencement date.

19. BORROWINGS

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Borrowings	48,000	48,000

All the borrowings are analysed as follows:

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Within one year and amount shown under current liabilities	48,000	–
Within one to two years and amount shown under non-current liabilities	–	48,000

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

As at 31 March 2023 and 30 September 2023, borrowings granted from non-bank financial institution were unsecured and the interest rate of the borrowings were charged at 12% per annum. The loan principal and interest are repayable on 13 May 2024.

20. SHARE CAPITAL

	Number of ordinary shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 March 2023 and 30 September 2023	1,000,000,000	10,000
Issued and fully paid:		
At 31 March 2023 and 30 September 2023	480,000,000	4,800

21. CAPITAL COMMITMENTS

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

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Property, plant and equipment	92	92

22. RELATED PARTY TRANSACTIONS

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

(a) Key management personnel remuneration

The emoluments of the directors and senior management of the Group, who represent the key management personnel during the six months ended 30 September 2023 and 2022 are as follows:

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Salaries, fee, allowances and other benefits	2,567	1,671
Retirement benefit scheme contributions	68	40
	<hr/>	<hr/>
	2,635	1,711

CORPORATE GOVERNANCE/OTHER INFORMATION

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

As at 30 September 2023, the interests and short positions of the Directors or chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the “SFO”)) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which, pursuant to section 352 of the SFO, have been entered in the register referred to therein, or have been, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in the Listing Rules, notified to the Company and the Stock Exchange, were as follows:

i. Long Position in Our Shares

Name of Director	Capacity/Nature of interest	Number of Shares held ⁽¹⁾	Percentage of shareholding
Ma Hon Yiu	Beneficial owner	40,000(L)	0.00%

Note:

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

Save as disclosed above, as at 30 September 2023, none of the Directors nor chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange under the Model Code.

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

As at 30 September 2023, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Name of Shareholders	Capacity/Nature of interest	Number of Shares ⁽¹⁾	Percentage of shareholding
Yuan Feng Ventures Limited ⁽²⁾ (“Yuan Feng”)	Beneficial owner	360,000,000(L)	75%
Ms. Huang Hou ^{(2)&(3)}	Interest in controlled corporation	360,000,000(L)	75%
Ultra Accord Limited ^{(3)&(4)}	Security interest	360,000,000(L)	75%
Ms. Chu Chui Ling ^{(3)&(4)}	Interest in controlled corporation	360,000,000(L)	75%

Notes:

- (1) The letter “L” denote the respective “long position” (as defined under Part XV of the SFO) of the relevant person/entity in such Shares.
- (2) Yuan Feng held 75% of the total issued share capital of our Company and Yuan Feng was in turn wholly and beneficially owned by Ms. Huang Hou. Therefore, Ms. Huang Hou is deemed or taken to be interested in the Shares held by Yuan Feng under the SFO.

- (3) Ms. Huang Hou executed a share charge (the “Offeror Share Charge”) over the 360,000,000 Shares held by Yuan Feng, the Offeror, in favour of Ultra Accord Limited (“Ultra Accord”) as a security for the loan facility granted by Ultra Accord. For further details, please refer to the Joint Announcement (as defined above in the paragraph headed “Change of Controlling Shareholder” under the section headed “Management Discussion and Analysis” in this report).
- (4) Ultra Accord held a security interest in the 360,000,000 Shares under the Offeror Share Charge, and Ultra Accord was in turn wholly and beneficially owned by Ms. Chu Chui Ling. Therefore, under the SFO, Ms. Chu Chui Ling is deemed or taken to be interested in the Shares.

Save as disclosed above, as at 30 September 2023, so far as the Directors were aware, none of the persons (other than the Directors or chief executives of the Company) had, or was deemed to have interests or short positions in the Shares and underlying Shares which were required to be recorded in the register of interests kept by the Company pursuant to section 336 of the SFO, and which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “Share Option Scheme”) on 6 December 2018. The principal terms of the Share Option Scheme are summarised in Appendix IV to the prospectus 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 report), unless otherwise approved by the shareholders of the Company. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 6 December 2018, and there is no outstanding share option as at 30 September 2023.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the six months ended 30 September 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the six months ended 30 September 2023.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the Listing Rules during the six months ended 30 September 2023 and up to the date of this report.

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 2023, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE PRACTICES

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 2023 and up to the date of this report.

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

The Company has adopted 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 2023 and up to the date of this report.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 28 December 2018 in accordance with Rule 3.21 of the Listing Rules with written terms of reference in compliance with the CG Code. The primary roles of the Audit Committee include, but are not limited to, (a) making recommendations to our Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (b) monitoring the integrity of our financial statements and annual reports and accounts, half-yearly reports and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgments contained in them; and (c) reviewing our financial controls, internal control and risk management systems.

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

The Group's unaudited condensed consolidated interim financial statements for the six months ended 30 September 2023 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.

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, 17 November 2023