

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.

Yuk Wing Group Holdings Limited

煜榮集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1536)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

The board (the “**Board**”) of directors (the “**Director(s)**”) of Yuk Wing Group Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2024 (the “**Year**”) together with the comparative and audited figures for the year ended 31 March 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	3	148,231	157,048
Cost of sales		(114,085)	(113,630)
Gross profit		34,146	43,418
Other income		3,526	4,253
Impairment losses under expected credit loss model, net		(4,000)	(4,307)
Other gains and losses		(5,011)	450
Selling and distribution expenses		(8,551)	(9,523)
Administrative expenses		(40,249)	(39,772)
Finance costs		(1,189)	(1,035)
Loss before tax	4	(21,328)	(6,516)
Taxation (charge) credit	5	(1,233)	2,940
Loss for the year		(22,561)	(3,576)
Loss for the year attributable to:			
Owners of the Company		(18,674)	(3,504)
Non-controlling interests		(3,887)	(72)
		(22,561)	(3,576)
		<i>HK cents</i>	<i>HK cents</i>
Loss per share, basic	6	(4.91)	(0.92)

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

For the year ended 31 March 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year	<u>(22,561)</u>	<u>(3,576)</u>
Other comprehensive expense for the year <i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>(2,495)</u>	<u>(4,860)</u>
Total comprehensive expense for the year	<u><u>(25,056)</u></u>	<u><u>(8,436)</u></u>
Total comprehensive expense for the year attributable to:		
Owners of the Company	<u>(20,006)</u>	(6,617)
Non-controlling interests	<u>(5,050)</u>	<u>(1,819)</u>
	<u><u>(25,056)</u></u>	<u><u>(8,436)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		4,882	5,296
Right-of-use assets		8,976	10,254
Deferred tax assets		1,804	2,416
		15,662	17,966
Current assets			
Inventories		44,956	56,471
Trade and other receivables	8	74,205	67,067
Financial assets at fair value through profit or loss		20,297	23,349
Tax recoverable		–	283
Bank balances and cash		46,616	65,969
		186,074	213,139
Current liabilities			
Trade and other payables	9	12,489	9,263
Contract liabilities		2,821	3,897
Lease liabilities		3,330	2,499
Tax payable		79	72
Bank and other borrowings		23,000	28,210
		41,719	43,941
Net current assets		144,355	169,198
Total assets less current liabilities		160,017	187,164
Non-current liabilities			
Deferred tax liabilities		83	102
Lease liabilities		7,121	9,193
		7,204	9,295
Net assets		152,813	177,869
Capital and reserves			
Share capital		38,000	38,000
Reserves		84,707	104,713
Equity attributable to owners of the Company		122,707	142,713
Non-controlling interests		30,106	35,156
Total equity		152,813	177,869

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The registered office address of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit B, 13/F., Eton Building, 288 Des Voeux Road Central, Hong Kong. The Directors consider that the Company’s immediate and ultimate holding company is Colour Shine Investments Limited, a private limited company incorporated in the British Virgin Islands (the “**BVI**”).

The Company is an investment holding company. The Group are principally engaged in the manufacturing and trading of down-the-hole (“**DTH**”) rockdrilling tools and trading of piling and drilling machineries and rockdrilling equipment.

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

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

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and 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 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and 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.

Impacts on application of Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 “Income Taxes” so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

- (i) The Group has applied the new accounting policy retrospectively to leasing transaction that occurred on or after 1 April 2022; and
- (ii) the Group also, as at 1 April 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use assets and lease liabilities.

The application of the amendments has had no material impact on the Group’s financial position and performance, except that the Group discloses the related deferred tax assets of HK\$2,897,000 and deferred tax liabilities of HK\$2,897,000 on a gross basis as at 1 April 2022 but it had no impact on the accumulated losses as at the earliest period presented.

3. REVENUE AND SEGMENT INFORMATION

Revenue

The Group is principally engaged in (i) manufacturing and trading of DTH rockdrilling tools; and (ii) trading of pilling and drilling machineries and rockdrilling equipment.

Disaggregation of revenue

An analysis of the Group’s revenue is as follows:

	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Recognised at a point in time:		
Manufacturing and trading of DTH rockdrilling tools	136,542	146,569
Trading of pilling and drilling machineries and rockdrilling equipment	<u>11,689</u>	<u>10,479</u>
	<u><u>148,231</u></u>	<u><u>157,048</u></u>

Disaggregation of revenue by geographical location is disclosed in geographical information below.

Performance obligations for contracts with customers

All of the Group's revenue is recognised when the control of goods is transferred, being when the goods are delivered to the customer's specific location. A receivable is recognised by the Group when the goods are delivered to the customer's premises as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The normal credit term is 0 to 90 days upon delivery. The customers have neither rights of return nor rights to defer or avoid payment for the goods once they are accepted by the customers upon receipt of goods. The contracts signed with the customers are short-term and fixed price contracts.

Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2024 and 31 March 2023 and the expected timing of recognising revenue are as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	<u>32,670</u>	<u>64,092</u>

Segment information

Information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on the types of products sold.

The details of the Group's operating segments are as follows:

- (i) Manufacturing and trading of DTH rockdrilling tools
- (ii) Trading of pilling and drilling machineries and rockdrilling equipment

These operating segments also represent the Group's reportable segments. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31 March 2024

	Manufacturing and trading of DTH rockdrilling tools <i>HK\$'000</i>	Trading of pilling and drilling machineries and rockdrilling equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment and external sales	<u>136,542</u>	<u>11,689</u>	<u>148,231</u>
Segment result	<u>33,915</u>	<u>231</u>	34,146
Unallocated expenses			(48,800)
Other income			3,526
Impairment losses under expected credit loss ("ECL") model, net			(4,000)
Other gains and losses			(5,011)
Finance costs			<u>(1,189)</u>
Loss before tax			<u>(21,328)</u>

For the year ended 31 March 2023

	Manufacturing and trading of DTH rockdrilling tools <i>HK\$'000</i>	Trading of piling and drilling machineries and rockdrilling equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment and external sales	146,569	10,479	157,048
Segment result	<u>41,220</u>	<u>2,198</u>	43,418
Unallocated expenses			(49,295)
Other income			4,253
Impairment losses under ECL model, net			(4,307)
Other gains and losses			450
Finance costs			<u>(1,035)</u>
Loss before tax			<u>(6,516)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned by each segment without allocation of unallocated expenses (including selling and distribution expenses and administrative expenses), other income, impairment losses under ECL model, net, other gains and losses and finance costs. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM of the Group.

Other segment information

For the year ended 31 March 2024

	Manufacturing and trading of DTH rockdrilling tools <i>HK\$'000</i>	Trading of pilling and drilling machineries and rockdrilling equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts regularly provided to the CODM but not included in the measurement of segment result:			
Depreciation of property, plant and equipment	382	–	382
Depreciation of right-of-use assets	1,475	–	1,475
Write down of inventories	1,989	–	1,989

For the year ended 31 March 2023

	Manufacturing and trading of DTH rockdrilling tools <i>HK\$'000</i>	Trading of pilling and drilling machineries and rockdrilling equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts regularly provided to the CODM but not included in the measurement of segment result:			
Depreciation of property, plant and equipment	667	–	667
Depreciation of right-of-use assets	1,475	–	1,475
Reversal of write down of inventories	(360)	–	(360)

Geographical information

The following table sets out information about (i) the Group's revenue from external customers by the location of customers; and (ii) the Group's non-current assets (excluded deferred tax assets) by location of assets.

	Revenue from external customers		Non-current assets	
	For the year ended 31 March		As at 31 March	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	142,629	149,450	2,986	1,747
Scandinavia	1,527	5,179	–	–
Macau	510	1,522	–	–
The People's Republic of China (the "PRC")	593	–	10,872	13,803
Germany	1,476	810	–	–
Others	1,496	87	–	–
	<u>148,231</u>	<u>157,048</u>	<u>13,858</u>	<u>15,550</u>

Information about major customers

Revenue from major customers which accounted for 10% or more of the Group's revenue for each of the year are set out below:

	2024	2023
	HK\$'000	HK\$'000
Customer A (note (b))	34,590	N/A ^(c)
Customer B (note (a))	18,098	–
Customer C (note (a))	N/A ^(c)	35,518
Customer D (note (b))	N/A ^(c)	34,626
Customer E (note (b))	N/A ^(c)	16,319

Notes:

- The revenue was derived from manufacturing and trading of DTH rockdrilling tools.
- The revenue was derived from manufacturing and trading of DTH rockdrilling tools and trading of piling and drilling machineries and rockdrilling equipment.
- Revenue from the customer is less than 10% of the total revenue of the Group for the year.

4. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Directors' remuneration	600	600
Other staff costs	27,136	24,213
Contributions to retirement benefit schemes	1,937	1,628
	<hr/>	<hr/>
Total staff costs	29,673	26,441
Capitalised in cost of inventories manufactured	(5,025)	(4,744)
	<hr/>	<hr/>
	24,648	21,697
	<hr/>	<hr/>
Depreciation of property, plant and equipment	1,500	2,010
Capitalised in cost of inventories manufactured	(382)	(667)
	<hr/>	<hr/>
	1,118	1,343
	<hr/>	<hr/>
Depreciation of right-of-use assets	2,642	2,177
Capitalised in cost of inventories manufactured	(1,475)	(1,475)
	<hr/>	<hr/>
	1,167	702
	<hr/>	<hr/>
Auditor's remuneration	630	650
Cost of inventories recognised as expense	114,085	113,630
	<hr/> <hr/>	<hr/> <hr/>

5. TAXATION (CHARGE) CREDIT

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax:		
Hong Kong	(225)	(178)
PRC Enterprise Income Tax	(38)	(613)
	<u>(263)</u>	<u>(791)</u>
(Under) over-provision in prior years:		
Hong Kong	–	3,738
PRC Enterprise Income Tax	(377)	(31)
	<u>(377)</u>	<u>3,707</u>
Current tax (charge) credit	(640)	2,916
Deferred tax (charge) credit	(593)	24
	<u>(1,233)</u>	<u>2,940</u>

The Hong Kong Profits Tax of the qualifying group entity under the two-tiered profits tax rates regime is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million for both years. The Hong Kong Profits Tax of the group entities not qualifying for the regime is calculated at a flat rate of 16.5% of the estimated assessable profits.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the PRC Enterprise Income Tax is calculated at 25% of the assessable profits for the subsidiary established in the PRC for both years.

6. LOSS PER SHARE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the purpose of calculating basic loss per share:		
Loss for the year attributable to owners of the Company	<u>(18,674)</u>	<u>(3,504)</u>
	<i>'000</i>	<i>'000</i>
Number of shares:		
Number of ordinary shares for the purpose of calculating basic loss per share	<u>380,000</u>	<u>380,000</u>

No diluted loss per share for the years ended 31 March 2024 and 2023 was presented as there were no potential ordinary shares in issue during both years.

7. DIVIDENDS

No dividend was paid or proposed to the ordinary shareholders of the Company during both years, nor has any dividend been proposed since the end of the reporting period.

8. TRADE AND OTHER RECEIVABLES

The Group grants a credit period ranged from 0 day to 90 days upon delivery of goods to its customers. The following is an aged analysis of trade receivables based on dates of delivery of goods, net of impairment losses at the end of each reporting period:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 30 days	14,262	11,554
31 to 60 days	9,300	11,082
61 to 90 days	11,019	1,850
91 to 180 days	5,557	5,622
181 days to 1 year	5,719	8,081
Over 1 year	7,427	9,810
	<u>53,284</u>	<u>47,999</u>

9. TRADE AND OTHER PAYABLES

The credit period of trade payables granted by suppliers is from 30 to 90 days upon the issue of invoices.

The following is an aged analysis of trade payables based on the invoice dates:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 30 days	3,444	4,248
31 to 60 days	2,090	1,039
91 to 180 days	2,407	–
181 to 365 days	–	120
Over 365 days	19	–
	<u>7,960</u>	<u>5,407</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the manufacturing and trading of DTH rockdrilling tools, trading of piling and drilling machineries and rockdrilling equipment.

During the Year, the market environments in Hong Kong and Macau were challenging due to the uncertain economic conditions, leading to less construction projects available in the Hong Kong and Macau market. At the international level, the revenue generated from the Scandinavia market has decreased during the Year as a result of the decrease in business activities in the region. Businesses from Germany and USA have seen increase in activities, leading to increase in revenue contributed from the regions. This had resulted in a decrease in contribution to our Group's revenue as our local customers have decreased their purchases of our products. There has been increases in fair value loss in financial assets at fair value through profit or loss, where the fair value loss amounted to approximately HK\$3.1 million during the Year (2023: fair value loss of approximately HK\$1.7 million), write down of inventories of approximately HK\$2.0 million (2023: reversal of write down of approximately HK\$0.4 million), and impairment loss of trade receivables of approximately HK\$4.0 million (2023: approximately HK\$4.3 million) during the Year. The effects as mentioned above have resulted in an increase in the loss position during the Year, where the loss for the Year is approximately HK\$22.6 million, as compared with the loss of approximately HK\$3.6 million for the year ended 31 March 2023.

Hong Kong remains to be the Group's major market, where the revenue generated from Hong Kong contributed to approximately HK\$142.6 million for the Year (2023: approximately HK\$149.5 million), or approximately 96.2% of the total revenue during the Year (2023: approximately 95.2%). Revenue generated from Macau contributed to approximately HK\$0.5 million for the Year (2023: approximately HK\$1.5 million).

At the international level, revenue generated from Scandinavia contributed to approximately HK\$1.5 million (2023: approximately HK\$5.2 million), or approximately 1.0% of the total revenue during the Year (2023: approximately 3.3%). Revenue generated from Germany and USA contributed to approximately HK\$1.5 million (2023: approximately HK\$0.8 million) and HK\$0.8 million (2023: nil) for the Year, respectively.

Manufacturing and Trading of DTH Rockdrilling Tools

The Group is principally engaged in the manufacturing and trading of DTH rockdrilling tools. Our self-designed and manufactured DTH rockdrilling tools can be categorised into the following main categories, namely DTH hammers, casing systems (comprising driver bits and casing bits), and other miscellaneous products including button bits and bit openers, as well as our newly developed products, drill pipes, cluster drills and casing tubes. Revenue from the manufacturing and trading of DTH rockdrilling tools contributed to approximately 92.1% of the total revenue during the Year (2023: approximately 93.3%).

Trading of Piling and Drilling Machineries and Rockdrilling Equipment

The Group is also engaged in the trading of piling and drilling machineries and rockdrilling equipment to our customers as part of our technical rockdrilling solutions. Revenue from trading of piling and drilling machineries and rockdrilling equipment contributed to approximately 7.9% of the total revenue during the Year (2023: approximately 6.7%).

FINANCIAL REVIEW

Revenue

Revenue for the Group has decreased from approximately HK\$157.0 million for the year ended 31 March 2023 to approximately HK\$148.2 million for the Year, a decrease of approximately HK\$8.8 million or 5.6%. The decrease in revenue is primarily caused by the challenging business environment in Hong Kong, leading to a lower level of construction works and projects available during the Year when compared with the year ended 31 March 2023, resulting in a lower than expected demand for our products.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately HK\$9.3 million, or 21.4%, to approximately HK\$34.1 million for the Year, from approximately HK\$43.4 million for the year ended 31 March 2023, primarily due to the decrease in revenue as mentioned above. Gross profit margin was approximately 23.0% for the Year as compared to gross profit margin of approximately 27.6% for the year ended 31 March 2023. The decrease in gross profit margin is mainly due to the challenging business environment in Hong Kong during the Year, which has exerted pressure on the selling prices of our products in the manufacturing and trading of DTH rockdrilling tools segment.

Other gains and losses

The Group recorded net other losses of approximately HK\$5.0 million for the Year as compared to the net other gains of approximately HK\$0.5 million for the year ended 31 March 2023. This was mainly attributable to the loss on fair value changes of financial assets at fair value through profit or loss for the Year of approximately HK\$3.1 million (2023: approximately HK\$1.7 million), and the write down of inventories of approximately HK\$2.0 million (2023: reversal of write down of approximately HK\$0.4 million) during the Year.

Fair value changes of financial assets at fair value through profit or loss and securities investment

As at 31 March 2024, the fair value of the listed securities held by the Company amounted to approximately HK\$20.3 million (31 March 2023: approximately HK\$23.3 million). Dividend income of approximately HK\$1.1 million were received from the investment of listed securities during the Year (2023: approximately HK\$1.1 million). Save as disclosed in this announcement, there was no other additional acquisition or disposal of listed securities during the Year.

The Group regularly monitors its investment performance and make appropriate investment decisions regularly. In addition, the Group would allocate part of its idle resources from time to time to purchase principal-guaranteed wealth management products to increase its overall return.

Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by approximately HK\$1.0 million, or 10.2%, to approximately HK\$8.6 million for the Year, from approximately HK\$9.5 million for the year ended 31 March 2023, mainly due to the decrease in freight, transportation and storage costs as a result of the decrease in revenue during the Year.

Administrative Expenses

The Group's administrative expenses increased by approximately HK\$0.5 million, or 1.2%, to approximately HK\$40.2 million for the Year, from approximately HK\$39.8 million for the year ended 31 March 2023, primarily due to the increase in staff costs during the Year.

Net Loss

The Group recorded a net loss of approximately HK\$22.6 million for the Year as compared to the net loss of approximately HK\$3.6 million for the year ended 31 March 2023. This was mainly attributable to the decrease in revenue and gross profit, and increase in loss on fair value changes of financial assets at fair value through profit or loss, write down on inventories, freight, transportation and storage costs, staff costs and taxation charge during the Year.

STRATEGY AND PROSPECTS

During the Year, the Group continued to develop its various business and geographical segments. In Hong Kong, the business environment had remained stagnant due to the uncertain economic outlook.

Internationally, as the Group continues to develop the international markets, it is expected the revenue generated from international customers will increase as a result.

Overall, the Group is cautious towards the future of the construction market and the business of the Group in Hong Kong. At the international level, the Group will continue its efforts to capture business opportunities in the overseas markets.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2024, the Group's total cash and cash equivalents amounted to approximately HK\$46.6 million of which approximately 87.52%, 10.58%, 1.89% and 0.01% of the cash and cash equivalents were denominated in Hong Kong dollar, Renminbi, United States dollar and Euro respectively (31 March 2023: approximately HK\$66.0 million of which approximately 67.8%, 27.6%, 2.5% and 2.1% of the cash and cash equivalents were denominated in Hong Kong dollar, Renminbi, United States dollar and Euro respectively).

As at 31 March 2024, the Group had bank borrowings of approximately HK\$10.0 million (31 March 2023: approximately HK\$13.2 million) with variable interest rate, which were repayable within one year and were guaranteed by the Company. As at 31 March 2024, the Group's other borrowing of approximately HK\$13.0 million (31 March 2023: approximately HK\$15.0 million) had fixed interest rate of 1.0% (31 March 2023: 1.0%) per annum and was repayable within one year, which was unsecured. As at 31 March 2024, the Group's bank borrowings and other borrowing were denominated in Hong Kong dollar (31 March 2023: denominated in Hong Kong dollar and United States dollar).

The gearing ratio of the Group as at 31 March 2024 (defined as the Group's total interest-bearing liabilities divided by the Group's total equity) was approximately 21.9% (31 March 2023: approximately 22.4%). The decrease in gearing ratio is mainly due to the decrease in bank and other borrowings during the Year.

CAPITAL STRUCTURE

As at 31 March 2024, the Company's issued share capital was HK\$38,000,000 and the number of its issued ordinary shares was 380,000,000 of HK\$0.1 each.

During the Year, there was no change to the authorised and issued share capital of the Company.

FOREIGN EXCHANGE RISK

The Group's operations are mainly in Hong Kong and the PRC, and most of the operating transactions, revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars and Renminbi. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements as and if it arises. The Group has not engaged in any derivative to hedge its exposure to foreign exchange risk.

MAJOR CUSTOMERS AND MAJOR SUPPLIERS

During the Year, the revenue attributable to our top five customers was approximately HK\$81.9 million (2023: approximately HK\$99.1 million), accounting for approximately 55.2% (2023: approximately 63.1%) of the total revenue of the Group.

During the Year, our purchases from our top five suppliers were approximately HK\$65.7 million (2023: approximately HK\$73.8 million), accounting for approximately 89.2% (2023: approximately 82.4%) of our total purchases.

The Group's top five customers and suppliers during the reporting period were independent third parties, and none of our Directors, their associates or any shareholder (who, to the knowledge of our Directors, owned more than 5% of our Company's share capital as at the date of this announcement) had any interest in any of our top five customers or suppliers during the Year.

CONTINGENT LIABILITIES

The Group has not had any material contingent liability as at 31 March 2023 and 31 March 2024.

CAPITAL COMMITMENTS

As at 31 March 2023 and 31 March 2024, the Group had no capital commitments.

CHARGE ON GROUP ASSETS

As at 31 March 2024, the Group had bank borrowings of approximately HK\$10.0 million (31 March 2023: approximately HK\$13.2 million) which were guaranteed by the Company.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this announcement, there has been no significant investment, material acquisition or disposal of subsidiaries and associated companies by the Group during the Year.

USE OF PROCEEDS FROM THE PUBLIC OFFER

The net proceeds from the public offer received by the Company, after deduction of the underwriting commissions and other related listing expenses payable by the Company in the public offer, were approximately HK\$88.3 million.

The Company had utilised all the net proceeds of approximately HK\$88.3 million and there are no unutilised net proceeds as at 31 March 2023 and 31 March 2024.

SECURITIES TRANSACTIONS CONDUCTED BY DIRECTORS AND THE RELEVANT EMPLOYEES

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 Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its code of conduct for regulating securities transactions by Directors. Following a specific enquiry to all Directors by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the Year.

CORPORATE GOVERNANCE CODE

The Company focuses on maintaining a high standard of corporate governance for purposes of enhancing the value for its shareholders and protecting their interests. The Company has established the corporate governance structure in accordance with the Listing Rules and the Corporate Governance Code (the “**Code**”) provided in Appendix C1 to the Listing Rules and has set up a series of corporate governance measures. The Company has adopted and complied with such provisions of the Code (the “**Code Provision(s)**”) as stated in the Code during the Year except for the Code Provision of C.2.1.

In accordance with Code Provision C.2.1, the roles of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Company currently does not have any officer with the title of chairman or chief executive. The functions of chairman and chief executive officer were performed by the Executive Directors and the general manager respectively. Notwithstanding the aforementioned, the Board will review the current structure from time to time and as and when appropriate if candidate with suitable leadership, knowledge, skills and experience is identified, the Company may make the necessary modification to the management structure.

The Board will examine and review, from time to time, the Company's corporate governance practices and operations in order to meet the relevant provisions under the Listing Rules and to protect the shareholders' interests.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Year, none of the Directors nor their associates (as defined in the Listing Rules) had any competing interests in such business that is in direct or indirect competition with any of the Group's business.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there are no significant events affecting the Group after the reporting period and up to the date of this announcement.

AUDIT AND COMPLIANCE COMMITTEE

The Company has established the audit and compliance committee of the Company (the "**Audit and Compliance Committee**") in accordance with Rule 3.21 of the Listing Rules and the Code and has expressly stated the scope of job duties of such committee in writing. As at the date of this announcement, the Audit and Compliance Committee consists of three members, namely Mr. Wong Siu Keung Joe, Mr. Cheung Sze Ming and Mr. Yiu To Wa. All members of the Audit and Compliance Committee are independent non-executive Directors. Mr. Wong Siu Keung Joe is the chairman of the Audit and Compliance Committee.

The Audit and Compliance Committee has reviewed and discussed the annual results for the Year.

FINAL DIVIDEND

The Board does not recommend the distribution of a final dividend for the Year.

SCOPE OF WORK OF BAKER TILLY 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 year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Baker Tilly Hong Kong Limited on the preliminary announcement.

AGM AND CLOSURE OF REGISTER OF MEMBERS

The 2024 annual general meeting (the "AGM") of the Company will be held on Wednesday, 14 August 2024. For the purpose of determining the Shareholders' eligibility to attend, speak and vote at the 2024 AGM, the register of members of the Company will be closed from Thursday, 8 August 2024 to Wednesday, 14 August 2024, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2024 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 7 August 2024.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE 2023/24 ANNUAL REPORT

This announcement is published on the respective websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at <http://www.yukwing.com>. The Company's 2023/24 annual report containing all of the information as required by the Listing Rules will be published on the aforementioned websites in due course. Printed copies of the annual report will be made available to shareholders of the Company upon request.

For and on behalf of the Board
Yuk Wing Group Holdings Limited
Li Kai Lai Miranda
Executive Director

Hong Kong, 26 June 2024

As at the date of this announcement, the executive Directors are Mr. Chui Kwong Kau and Ms. Li Kai Lai Miranda; and the independent non-executive Directors are Mr. Cheung Sze Ming, Mr. Wong Siu Keung Joe and Mr. Yiu To Wa.

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