

# Yield Go Holdings Ltd.

## 耀高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 1796

### INTERIM REPORT 2020



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Man Hoi Yuen (*Chairman*)  
Ms. Ng Yuen Chun  
Mr. Ho Chi Hong

#### Independent Non-executive Directors

Mr. Chan Ka Yu  
Mr. Lo Ki Chiu  
Mr. Leung Wai Lim

#### AUDIT COMMITTEE

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

#### REMUNERATION COMMITTEE

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

Unit 8, 39/F  
Cable TV Tower  
No. 9 Hoi Shing Road  
Tsuen Wan, New Territories  
Hong Kong

### COMPLIANCE ADVISER

Grande Capital Limited  
Room 2701, 27/F  
Tower 1, Admiralty Center  
18 Harcourt Road  
Admiralty  
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  
2103B, 21/F, 148 Electric Road  
North Point  
Hong Kong

## **AUDITORS**

Grant Thornton Hong Kong Limited  
*Certified Public Accountants*  
Level 12  
28 Hennessy Road  
Wanchai  
Hong Kong

## **PRINCIPAL BANK**

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

## **COMPANY'S WEBSITE**

[www.yield-go.com](http://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 2020, together with the comparative figures for the corresponding six months ended 30 September 2019.

### INDUSTRY OVERVIEW


Hong Kong’s construction industry was full of challenges during the second and third quarters of 2020 as the total gross value of overall construction works continued to drop. The global outbreak of the novel coronavirus (“COVID-19”) pandemic caused unpredictable disruptions in business operations and deepened the economic recession in Hong Kong, leading to the contraction for a fourth straight quarter, as shown in the 9.0% year-on-year GDP decline in the second quarter of 2020. Given the abated economic situation, overall expenditure on building and construction further declined, despite a boost in spending from the public sector, reflecting subdued private construction activities amid a negative business sentiment and gloomy economic prospect.

During the second and third quarters of 2020, although Hong Kong’s sky-high property prices had hardly budged, the private property construction work projects have been delayed by varying degrees due to the pandemic as well as the sluggish economy. Delivery of keys to some private property buyers has been postponed for three months to half a year, while some developers might have risked losing booking sales from the construction disruption.

The fitting-out works industry, as heavily relied on development plans and construction completion dates as it is, therefore, has been put in an unfavourable position by all the above factors.

### BUSINESS REVIEW AND OUTLOOK

The Group is an established fitting-out contractor in Hong Kong with over 24 years 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 are registered under the voluntary Subcontractor Registration Scheme of the Construction Industry Council. Such services are mainly provided to residential and commercial properties in Hong Kong on a project basis.



For the six months ended 30 September 2020, the Group's sources of revenue are categorised as residential and non-residential fitting-out services. During the six months ended 30 September 2020, the Group's revenue decreased by approximately 36.7% to approximately HK\$144.3 million, compared with HK\$228.1 million for the six months ended 30 September 2019. The decrease in revenue was primarily attributable to the decrease in number of sizeable projects available within the market during the six months ended 30 September 2020.

Due to the economic situation and restricted construction activities during COVID-19 pandemic, the business environment in which the Group operates has become tough. Therefore, the Group's revenue and profit margin were highly affected, and the influences may be further carried on to the coming quarters. The Board would take appropriate actions, cost control, for instance, to improve the financial performance of the Group in the future.

At the same time, the Group will closely monitor the market conditions and actively respond to any changes. Judging from the oversubscription of flats in various private property pre-sales, the Group believes that Hong Kong's property market has remained momentum when the third wave of COVID-19 pandemic outbreak is basically under control. The Board is still confident in maintaining the Group's competitiveness and remains positive for the future.

## **FINANCIAL REVIEW**

### **REVENUE**

During the six months ended 30 September 2020, the Group's revenue decreased by approximately HK\$83.8 million or 36.7% to approximately HK\$144.3 million (six months ended 30 September 2019: approximately HK\$228.1 million). Such decrease in revenue was primarily due to the decrease in number of sizeable projects available within the market during the six months ended 30 September 2020.



## **GROSS (LOSS)/PROFIT AND GROSS (LOSS)/PROFIT MARGIN**

During the six months ended 30 September 2020, the Group's gross profit decreased by approximately HK\$37.6 million or 278.5% to gross loss of approximately HK\$24.1 million (six months ended 30 September 2019: gross profit of approximately HK\$13.5 million). Such decrease in gross profit was primarily attributable to the decrease in revenue as discussed above and (i) the increase in the Group's overall construction costs mainly due to the additional costs arising from maintaining the operation of work sites as a result of the delay in certain projects under the impact of COVID-19 pandemic during the six months ended 30 September 2020; and (ii) the gross loss recorded from a project undertaken by the Group at Tuen Mun during the six months ended 30 September 2020 due to unexpected additional costs incurred.

## **OTHER GAINS/(LOSSES) – NET**

Other gains for the six months ended 30 September 2020 of approximately HK\$5.4 million mainly include the government grant (other losses for six months ended 30 September 2019: approximately HK\$34,000). The increase in other gains was primarily due to the subsidies from government grant of approximately HK\$5.3 million during the six months ended 30 September 2020.

## **ADMINISTRATIVE EXPENSES AND OTHER OPERATING EXPENSES**

The Group incurred administrative expenses and other operating expenses of approximately HK\$6.9 million for the six months ended 30 September 2020 compared to HK\$7.8 million for the corresponding period in 2019, representing a 11.5% decrease. This is mainly due to decrease in staff cost and entertainment expenses incurred during the six months ended 30 September 2020.

## **FINANCE COSTS**

For the six months ended 30 September 2020, finance costs have decreased by approximately HK\$0.2 million or 18.2% compared to the six months ended 30 September 2019, from approximately HK\$1.1 million to approximately HK\$0.9 million. The decrease was primarily due to the decrease in average interest rate of the renewed bank borrowings during the six months ended 30 September 2020.



## NET (LOSS)/PROFIT

For the six months ended 30 September 2020, the Group recorded net loss of approximately HK\$26.6 million, whereas for the six months ended 30 September 2019, the Group recorded net profit of approximately HK\$3.7 million. Such change was mainly due to the decrease in revenue as well as the unexpected direct costs as discussed above.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

There has no change in capital structure of the Company during the six months ended 30 September 2020. The capital of the Company comprises only ordinary shares.

As at 30 September 2020, 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 2020, the Group had total cash and cash equivalents and restricted cash of approximately HK\$31.5 million (31 March 2020: approximately HK\$28.3 million). The increase was due to the aggregate net cash generated in operating, investing and financing activities of approximately HK\$3.2 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 29.3% as at 31 March 2020 to approximately 34.4% as at 30 September 2020. The increase was primarily due to increase in bank borrowings during the six months ended 30 September 2020.

## 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's bank borrowings were secured by (i) corporate guarantee granted by the Company; (ii) proceeds in relation to all account receivable of one of the subsidiaries of the Company; and (iii) personal guarantees given by Mr. Man and Mrs. Man (which falls within Rule 14A.90 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")).





## 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 2020.

## CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

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

	<b>As at 30 September 2020 HK\$'000</b>	As at 31 March 2020 HK\$'000
Property, plant and equipment	<b>184</b>	184

Save as disclosed above, the Group had no material contingent liabilities as at 30 September 2020 (31 March 2020: nil).

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

During the six months ended 30 September 2020, 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

Save as disclosed under the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 13 December 2018 (the "Prospectus"), the Group did not have other future plans for material investments or capital assets during the six months ended 30 September 2020.

## USE OF PROCEEDS

The net proceeds received by the Group, after deducting related expenses, were approximately HK\$89.4 million (“Net Proceeds”). These proceeds are intended to be applied in accordance with the proposed application set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. Such uses include: (i) payment for upfront costs; (ii) obtaining performance bond; (iii) repayment of bank borrowings; (iv) expansion of workforce; and (v) general working capital.

As disclosed in the announcement of the Company dated 24 June 2020, the Board resolved to change the use of the unutilised Net Proceeds. Set out below is the revised allocation of the unutilised Net Proceeds.

Intended use of Net Proceeds	Approximate percentage of Net Proceeds	Planned use of Net Proceeds HK\$'000	Actual use of	Unutilised
			Net Proceeds up to 30 September 2020 HK\$'000	amount of Net Proceeds as at 30 September 2020 HK\$'000
Payment for upfront costs	15.2%	13,589	13,589	–
Obtaining performance bond	3.4%	3,046	3,046	–
Repayment of bank borrowings	50.4%	45,016	45,016	–
Expansion of workforce	21.0%	18,809	16,758	2,051
General working capital	10.0%	8,940	8,940	–
<b>Total</b>	<b>100.0%</b>	<b>89,400</b>	<b>87,349</b>	<b>2,051</b>

As at 30 September 2020 and the date of this report, the unutilised Net Proceeds were placed in interest-bearing deposits with authorised financial institutions or licensed banks in Hong Kong. The Directors will continuously evaluate the Group’s business objective and may change or modify plans against the changing market condition to ascertain the business growth of the Group. The Director expect that the unutilised Net Proceeds will be utilised by 31 March 2021.



## EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2020, the Group employed a total of 69 full-time employees (including three executive Directors but excluding three independent non-executive Directors) (as at 31 March 2020: 73). 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 2020 was approximately HK\$14.9 million (six months ended 30 September 2019: HK\$22.9 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 2020 (six months ended 30 September 2019: nil).

## EVENT AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Group after 30 September 2020 and up to the date of this report.

## REVIEW OF INTERIM RESULTS

The Group's interim results for the six months ended 30 September 2020 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 2020 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 2020.



## 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 set out on pages 13 to 39 which comprise the condensed consolidated statement of financial position of Yield Go Holdings Ltd. (the “Company”) and its subsidiaries (together, the “Group”) as at 30 September 2020 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 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*

Level 12

28 Hennessy Road

Wanchai

Hong Kong

27 November 2020

### **Shaw Chi Kit**

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 2020

	Notes	Six months ended 30 September	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
<b>Revenue</b>	5	<b>144,341</b>	228,059
Direct costs		<b>(168,475)</b>	(214,513)
<b>Gross (loss)/profit</b>		<b>(24,134)</b>	13,546
Other gains/(losses) – net	6	<b>5,352</b>	(34)
Administrative and other operating expenses		<b>(6,931)</b>	(7,752)
Finance costs	7	<b>(907)</b>	(1,072)
<b>(Loss)/Profit before income tax</b>	8	<b>(26,620)</b>	4,688
Income tax credit/(expense)	9	<b>68</b>	(946)
<b>(Loss)/Profit and total comprehensive (expense)/income for the period attributable to equity holders of the Company</b>		<b>(26,552)</b>	3,742
		<b>HK cents</b>	HK cents
<b>(Loss)/Earnings per share attributable to equity holders of the Company</b>			
– Basic and diluted	11	<b>(5.53)</b>	0.78

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	Notes	As at 30 September 2020 HK\$'000 (unaudited)	As at 31 March 2020 HK\$'000 (audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	1,107	1,655
Right-of-use assets		704	1,442
Deferred tax assets		129	35
		<b>1,940</b>	3,132
<b>Current assets</b>			
Trade and other receivables	13	46,608	56,686
Contract assets	14	169,462	194,381
Cash and bank balances	15	28,405	25,267
Restricted cash	16	3,046	3,046
Tax recoverable		1,807	1,833
		<b>249,328</b>	281,213
<b>Current liabilities</b>			
Trade and other payables	17	54,671	50,993
Contract liabilities	14	5,987	15,654
Bank borrowings	19	48,054	43,244
Amount due to a director		–	4,600
Lease liabilities	18	711	1,431
		<b>109,423</b>	115,922
<b>Net current assets</b>		<b>139,905</b>	165,291
<b>Total assets less current liabilities</b>		<b>141,845</b>	168,423

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 30 September 2020

	Notes	As at 30 September 2020 HK\$'000 (unaudited)	As at 31 March 2020 HK\$'000 (audited)
<b>Non-current liability</b>			
Lease liabilities	18	17	43
<b>Net assets</b>		<b>141,828</b>	168,380
<b>CAPITAL AND RESERVES</b>			
Share capital	21	4,800	4,800
Reserves		137,028	163,580
<b>Total equity</b>		<b>141,828</b>	168,380



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2020

	Share Capital HK\$'000	Share Premium* HK\$'000	Other Reserve* HK\$'000	Retained Earnings* HK\$'000	Total HK\$'000
<b>Balance as at 1 April 2019</b> <b>(audited)</b>	4,800	105,059	200	104,683	214,742
Profit and total comprehensive income for the period	-	-	-	3,742	3,742
Final dividend declared and approved in respect of the previous year (note 10)	-	-	-	(38,400)	(38,400)
<b>Balance as at 30 September 2019</b> <b>(unaudited)</b>	4,800	105,059	200	70,025	180,084
<b>Balance as at 1 April 2020</b> <b>(audited)</b>	4,800	105,059	200	58,321	168,380
Loss and total comprehensive expense for the period	-	-	-	(26,552)	(26,552)
<b>Balance as at 30 September 2020</b> <b>(unaudited)</b>	4,800	105,059	200	31,769	141,828

\* These reserve accounts comprise the consolidated reserves of approximately HK\$137,028,000 as at 30 September 2020 (31 March 2020: approximately HK\$163,580,000) in the condensed consolidated statement of financial position.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 September 2020

	Note	Six months ended 30 September	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations		4,580	(2,011)
Income tax paid		–	(2,016)
<i>Net cash generated from/(used in) operating activities</i>		<b>4,580</b>	(4,027)
<b>Cash flows from investing activities</b>			
Interest received		1	1
Purchases of property, plant and equipment		–	(1,200)
<i>Net cash generated from/(used in) investing activities</i>		<b>1</b>	(1,199)
<b>Cash flows from financing activities</b>			
Interest paid		(907)	(1,072)
Repayments of lease liabilities		(746)	(688)
Proceeds from bank borrowings		34,006	118,031
Repayments of bank borrowings		(29,196)	(95,842)
Decrease in amount due to a director		(4,600)	–
<i>Net cash (used in)/generated from financing activities</i>		<b>(1,443)</b>	20,429
<b>Net increase in cash and cash equivalents</b>		<b>3,138</b>	15,203
<b>Cash and cash equivalents at beginning of the period</b>		<b>25,267</b>	50,472
<b>Cash and cash equivalents at end of the period represented by cash and bank balances</b>	15	<b>28,405</b>	65,675



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 30 September 2020

## 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”) (the “Listing”) with effect from 31 December 2018. The addresses of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is Unit 8, 39/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.

As at 30 September 2020, to the best knowledge of the Directors, the Company’s immediate and ultimate holding company is Hoi Lang Holdings Ltd. (“Hoi Lang”), a company incorporated in the British Virgin Islands (the “BVI”) and owned by Mr. Man Hoi Yuen (“Mr. Man”), Ms. Ng Yuen Chun (“Mrs. Man”), spouse of Mr. Man and Mr. Ho Chi Hong (“Mr. Ho”).

## 2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 September 2020 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 2020.



## 2. BASIS OF PREPARATION *(Continued)*

The condensed consolidated interim financial statements are unaudited, but has 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 2020 have been prepared in accordance with the accounting policies adopted in the Group's annual consolidated financial statements for the year ended 31 March 2020, except for the adoption of the following new and amended HKFRSs effective as of 1 April 2020.

Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKAS 1 and HKAS 8	Definition of Material

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

The Group has not early applied any new standards, interpretations or amendments that is not yet effective for the current accounting period, other than Amendments to HKFRS 16 "Covid-19-Related Rent Concessions" of which the effect of HK\$10,000 is included in other gains.

### **Amendments to HKFRS 16 "Covid-19-Related Rent Concessions"**

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("COVID-19-related rent concessions") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### **Amendments to HKFRS 16 “COVID-19-Related Rent Concessions”** *(Continued)*

The Group has elected to early adopt the amendments and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the interim reporting period. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred (included in other gains in note 6). There is no impact on the opening balance of equity at 1 April 2020.

### 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, the 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 2020. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### **Impairment of property, plant and equipment and right-of-use assets**

Items of property, plant and equipment (note 12) and right-of-use assets are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. This process requires management’s estimate of future cash flows generated by each cash-generating unit (“CGU”). For any instance where this evaluation process indicates impairment, the relevant asset’s carrying amount is written down to the recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. During the six months ended 30 September 2020, no impairment loss was recognised for property, plant and equipment and right-of-use assets (30 September 2019: nil).

## 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 2020 and 2019 are as follows:

	<b>Six months ended 30 September</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>By timing of revenue recognition:</b>		
Control transferred over time	<b>144,341</b>	228,059
<b>By type of services:</b>		
Fitting-out services	<b>144,341</b>	228,059

During the six months ended 30 September 2020, the Group had undertaken a project in Tuen Mun with total contract sum of HK\$117,308,000. Affected by the outbreak of the novel coronavirus (COVID-19) pandemic, the project had been prolonged and delayed. In order to catch up with the progress and handover to end-buyers in or before July 2020, the Group incurred unexpected additional costs and recorded revenue of HK\$24,984,000 and gross loss of approximately HK\$28,000,000 respectively for the six months ended 30 September 2020 (revenue and gross profit of approximately HK\$34,999,000 and HK\$1,750,000 respectively for the six months ended 30 September 2019). As at 30 September 2020, the respective trade receivable and contract assets were approximately HK\$14,968,000 and HK\$21,296,000 (31 March 2020 (audited): approximately HK\$10,223,000 and HK\$42,702,000) respectively.



## 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.

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

	<b>Six months ended 30 September</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Customer A <sup>1</sup>	<b>84,290</b>	142,814
Customer B <sup>1</sup>	<b>26,550</b>	N/A <sup>2</sup>
Customer C	<b>24,984</b>	34,999

<sup>1</sup> The customer represents a collection of companies within a group.

<sup>2</sup> The corresponding revenue did not contribute over 10% of total revenue of the Group.

## 6. OTHER GAINS/(LOSSES) – NET

	Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Bank interest income	1	1
Government grant (note)	5,313	–
Net foreign exchange gains/(losses)	28	(35)
Sundry income	10	–
	<b>5,352</b>	<b>(34)</b>

Note: During the six months ended 30 September 2020, the Group recognised subsidies of approximately HK\$5,313,000 in relation to Employment Support Scheme for Regular Employees and Construction Sector (Casual Employees) under Anti-epidemic Fund provided by the Hong Kong government as part of the relief measures on COVID-19 pandemic.

## 7. FINANCE COSTS

	Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Interest on bank borrowings	879	1,013
Finance charges on lease liabilities	28	59
	<b>907</b>	<b>1,072</b>





## 8. (LOSS)/PROFIT BEFORE INCOME TAX

	Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss)/Profit before income tax is arrived at after charging:		
<b>(a) Staff costs (including directors' remuneration) (note (i))</b>		
Salaries, wages and other benefits	14,263	21,924
Contributions to defined contribution retirement plans	599	963
	<b>14,862</b>	<b>22,887</b>

## 8. (LOSS)/PROFIT BEFORE INCOME TAX *(Continued)*

	Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
<b>(b) Other items</b>		
Depreciation, included in:		
Direct costs		
– Owned assets	15	11
Administrative expenses		
– Owned assets	533	482
– Right-of-use assets	738	712
	<b>1,286</b>	1,205
Subcontracting charges (included in direct costs)	114,802	150,703
Cost of materials and finished goods	40,419	41,059
Auditors' remuneration	200	200
Short term lease with lease term less than 12 months in respect of machinery and equipment	67	251
Short term lease with lease term less than 12 months in respect of warehouse	–	107

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

	Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Direct costs	11,725	19,316
Administrative expenses	3,137	3,571
	<b>14,862</b>	22,887

## 9. INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Current Tax		
Hong Kong profits tax	26	822
Deferred Tax	(94)	124
<b>Income tax (credit)/expense</b>	<b>(68)</b>	946

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in or derived from Hong Kong for the six months ended 30 September 2020, except that the Group's qualified entity is calculated in accordance with the two-tiered profit tax rates regime and the profits tax of other group entities in Hong Kong which are not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5% (30 September 2019: 16.5%).

## 10. DIVIDENDS

During the six months ended 30 September 2019, a final dividend for the year ended 31 March 2019 of HK8 cents per ordinary share, amounting to approximately HK\$38,400,000, has been declared and approved by the shareholders at the annual general meeting of the Company and paid in October 2019.

No interim dividend was paid or proposed for ordinary shareholders of the Company during the six months ended 30 September 2020 (six months ended 30 September 2019: nil).

## 11. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit 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	
	2020 (unaudited)	2019 (unaudited)
(Loss)/Profit attributable to equity holders of the Company (HK\$'000)	(26,552)	3,742
Weighted average number of ordinary shares in issue (in thousands)	480,000	480,000
Basic (loss)/earnings per share (HK cents)	(5.53)	0.78

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share as there were no dilutive potential ordinary shares in issue during the six months ended 30 September 2020 and 2019.

## 12. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and office equipment HK\$'000	Motor vehicle HK\$'000	Leasehold improvement HK\$'000	Total HK\$'000
<b>Cost</b>				
As at 1 April 2019 (audited)	830	1,444	–	2,274
Additions	823	–	1,722	2,545
As at 31 March 2020 (audited)	1,653	1,444	1,722	4,819
<b>Accumulated depreciation</b>				
As at 1 April 2019 (audited)	680	1,444	–	2,124
Charge for the year	191	–	849	1,040
As at 31 March 2020 (audited)	871	1,444	849	3,164
<b>Net book value</b>				
As at 31 March 2020 (audited)	782	–	873	1,655
<b>Cost</b>				
As at 1 April 2020 (audited) and 30 September 2020 (unaudited)	1,653	1,444	1,722	4,819
<b>Accumulated depreciation</b>				
As at 1 April 2020 (audited)	871	1,444	849	3,164
Charge for the period	99	–	449	548
As at 30 September 2020 (unaudited)	970	1,444	1,298	3,712
<b>Net book value</b>				
As at 30 September 2020 (unaudited)	683	–	424	1,107

### 13. TRADE AND OTHER RECEIVABLES

	As at 30 September 2020 HK\$'000 (unaudited)	As at 31 March 2020 HK\$'000 (audited)
Trade receivables	26,215	36,196
Less: Expected credit losses (“ECL”) allowance	(37)	(37)
<hr/>		
Trade receivables – net (note (a))	26,178	36,159
Retention receivables (note (b))	16,733	16,399
Other receivables, deposits and prepayments (note (c))	3,697	4,128
<hr/>		
	<b>46,608</b>	56,686

Notes:

**(a) Trade receivables**

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 2020 HK\$'000 (unaudited)	As at 31 March 2020 HK\$'000 (audited)
0–30 days	10,692	15,275
31–60 days	14,968	14,136
61–90 days	–	6,203
Over 90 days	518	545
<hr/>		
	<b>26,178</b>	36,159

As at 30 September 2020, no additional ECL allowance were made against the gross amount of trade receivables (31 March 2020: net reversal of ECL allowance of approximately HK\$111,000).

## 13. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

### (b) Retention receivables

Retention receivables were not past due as at 30 September 2020, and were due for settlement in accordance with the terms of respective contract (31 March 2020: nil).

The Group generally allows 3% 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 12 months to 24 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 are as follows:

	As at 30 September 2020 HK\$'000 (unaudited)	As at 31 March 2020 HK\$'000 (audited)
Due within one year	16,733	16,399

As at 30 September 2020, no additional ECL allowance was made against the gross amount of retention receivables (31 March 2020: approximately HK\$121,000).

### (c) Other receivables, deposits and prepayments

	As at 30 September 2020 HK\$'000 (unaudited)	As at 31 March 2020 HK\$'000 (audited)
Other receivables	481	309
Deposits	2,561	2,590
Prepayments	736	1,310
	3,778	4,209
Less: ECL allowance	(81)	(81)
	3,697	4,128

As at 30 September 2020, no additional ECL allowance on other receivables were made (31 March 2020: approximately HK\$81,000).

## 14. CONTRACT ASSETS AND LIABILITIES

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

	<b>As at 30 September 2020 HK\$'000 (unaudited)</b>	As at 31 March 2020 HK\$'000 (audited)
Contract assets	<b>169,497</b>	194,416
Less: ECL allowance	<b>(35)</b>	(35)
<hr/>		
Contract assets – net	<b>169,462</b>	194,381
Contract liabilities	<b>(5,987)</b>	(15,654)
<hr/>		
	<b>163,475</b>	178,727

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.

As at 30 September 2020, no additional ECL allowance (31 March 2020: reversal of ECL allowance of approximately HK\$33,000) were made against the gross amounts of contract assets.



## 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:

	<b>Six months ended 30 September 2020 HK\$'000 (unaudited)</b>	<b>Year ended 31 March 2020 HK\$'000 (audited)</b>
Revenue recognised that was included in the contract liabilities balance at the beginning of the period/year	<b>13,056</b>	–
Transfers from the contract assets recognised at the beginning of the period/year to trade receivables	<b>(91,104)</b>	(191,397)

## 15. CASH AND BANK BALANCES

	<b>As at 30 September 2020 HK\$'000 (unaudited)</b>	<b>As at 31 March 2020 HK\$'000 (audited)</b>
Cash at banks	<b>28,405</b>	25,267

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

	<b>As at 30 September 2020 HK\$'000 (unaudited)</b>	As at 31 March 2020 HK\$'000 (audited)
Trade payables	<b>34,315</b>	46,295
Accruals and other payables	<b>8,264</b>	4,698
Deferred government grant (note (a))	<b>8,992</b>	–
Provision for onerous contract (note (b))	<b>3,100</b>	–
	<b>54,671</b>	50,993

Notes:

- (a) Deferred government grant related to Employment Support Scheme for Regular Employees and Construction Sector (Casual Employees) under Anti-epidemic Fund provided by the Hong Kong government. The government grant is credited to the condensed consolidated statement of profit or loss and other comprehensive income upon fulfilment of the conditions and on a straight line basis over the period necessary to match them with the costs that the grant is intended to compensate.
- (b) Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract in relation to the project in Tuen Mun, which is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.



## 17. TRADE AND OTHER PAYABLES *(Continued)*

The ageing analysis of trade payables based on the invoice date is as follows:

	<b>As at 30 September 2020 HK\$'000 (unaudited)</b>	As at 31 March 2020 HK\$'000 (audited)
0–30 days	<b>11,322</b>	20,990
31–60 days	<b>7,797</b>	3,372
61–90 days	<b>7,670</b>	4,907
Over 90 days	<b>7,526</b>	17,026
	<b>34,315</b>	46,295

## 18. LEASE LIABILITIES

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

	<b>As at 30 September 2020 HK\$'000 (unaudited)</b>	As at 31 March 2020 HK\$'000 (audited)
Total minimum lease payments:		
Within one year	<b>722</b>	1,469
After one year but within two years	<b>18</b>	44
	<b>740</b>	1,513
Future finance charges on lease liabilities	<b>(12)</b>	(39)
Present value of lease liabilities	<b>728</b>	1,474
Present value of minimum lease payments:		
Within one year	<b>711</b>	1,431
After one year but within two years	<b>17</b>	43
	<b>728</b>	1,474
Less: Portion due within one year included under current liabilities	<b>(711)</b>	(1,431)
Portion due after one year included under non-current liabilities	<b>17</b>	43

Note:

As at 30 September 2020, the carrying amounts of the Group's right-of-use assets in relation to offices premises, a staff quarter and a carpark are HK\$704,000 (31 March 2020: HK\$1,442,000).

During the six months ended 30 September 2020, the Group had four lease agreements comprising two office premises, one staff quarter and one carpark for 1 to 2 years with total cash outflows for the leases of HK\$841,000 (six months ended 30 September 2019: HK\$1,105,000). The Group considered that no extension option or termination option would be exercised at the lease commencement date.



## 19. BANK BORROWINGS

	<b>As at 30 September 2020 HK\$'000 (unaudited)</b>	As at 31 March 2020 HK\$'000 (audited)
Bank borrowings	<b>48,054</b>	43,244

All the bank borrowings are analysed as follows:

	<b>As at 30 September 2020 HK\$'000 (unaudited)</b>	As at 31 March 2020 HK\$'000 (audited)
Within one year	<b>48,054</b>	43,244

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

As at 30 September 2020, the interest rates of the bank borrowings were charged at (i) HIBOR plus 3.0% and HIBOR plus 3.5% per annum; and (ii) 2.5% below the Hong Kong Dollars prime rate per annum quoted by The Hong Kong Mortgage Corporation Limited in relation to Special 100% Loan Guarantee under SME Financing Guarantee Scheme (31 March 2020: the interest rates of the bank borrowings are HIBOR plus 3.0% and HIBOR plus 3.5% per annum).



## 20. BANKING FACILITIES

As at 30 September 2020, the banking facilities for bank borrowings granted to the Group were secured by the followings:

- (i) Corporate guarantee granted by the Company amounting to HK\$50,000,000;
- (ii) Proceeds in relation to all account receivables of one of the subsidiaries of the Company; and
- (iii) Personal guarantees given by Mr. Man and Mrs. Man.

As at 31 March 2020, the banking facilities for bank borrowings granted to the Group were secured by the followings:

- (i) Unlimited corporate guarantee granted by the Company; and
- (ii) Proceeds in relation to all account receivables of one of the subsidiaries of the Company.

As at 30 September 2020, the Group had unutilised banking facilities for bank borrowings amounting to approximately HK\$1,146,000 (31 March 2020: approximately HK\$6,756,000).

## 21. SHARE CAPITAL

	Number of ordinary shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
<b>Authorised:</b>		
At 31 March 2020 and 30 September 2020	1,000,000,000	10,000
<b>Issued and fully paid:</b>		
At 31 March 2020 and 30 September 2020	480,000,000	4,800

## 22. CAPITAL COMMITMENTS

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

	<b>As at 30 September 2020 HK\$'000 (unaudited)</b>	<b>As at 31 March 2020 HK\$'000 (audited)</b>
Property, plant and equipment	<b>184</b>	184

## 23. 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) Transactions with related party

		<b>Six months ended 30 September 2020 HK\$'000 (unaudited)</b>	<b>2019 HK\$'000 (unaudited)</b>
Hoi Sing Holdings (HK) Limited ("Hoi Sing Holdings")	Lease payments (i)	<b>264</b>	264

Note (i): The lease payments for premises paid to Hoi Sing Holdings are based on the agreements entered into between the parties involved. As at 30 September 2020, the related lease liabilities amounting to approximately HK\$260,000 (31 March 2020: approximately HK\$515,000).

## 23. RELATED PARTY TRANSACTIONS *(Continued)*

### (b) Key management personnel remuneration

The emoluments of the directors and senior management of the Company, who represent the key management personnel during the six months ended 30 September 2020 and 2019 are as follows:

	Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Salaries, fee, allowances and other benefits	1,683	2,056
Retirement benefit scheme contributions	41	53
	<hr/>	<hr/>
	1,724	2,109

### (c) Guarantee provided by related party

Details of guarantee provided by the related party are disclosed in note 20.





## 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 2020, 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 <sup>(1)</sup>	Percentage of shareholding
Mr. Man Hoi Yuen <sup>(2)</sup>	Interest in a controlled corporation	360,000,000(L)	75%
Ms. Ng Yuen Chun <sup>(3)</sup>	Interest of spouse	360,000,000(L)	75%

Notes:

- (1) The letters “L” denotes the respective “long position” (as defined under Part XV of the SFO) of the relevant person/entity in such Shares.
- (2) Hoi Lang Holdings Ltd. held 75% of the total issued share capital of our Company and Hoi Lang Holdings Ltd. was in turn owned by Mr. Man Hoi Yuen (our executive director and our chairman), Ms. Ng Yuen Chun (our executive director) and Mr. Ho Chi Hong (our executive director and our chief executive officer) as to 50%, 30% and 20%, respectively.
- (3) Ms. Ng Yuen Chun is the spouse of Mr. Man Hoi Yuen. Therefore, Ms. Ng Yuen Chun and Mr. Man Hoi Yuen are deemed or taken to be interested in the Shares held by Hoi Lang Holdings Ltd. under the SFO.

## ii. Long Position in the Shares of Associated Corporation

Name of Director	Name of associated corporation	Capacity/Nature of interest	Number of shares held in the associated corporation <sup>(1)</sup>	Percentage of shareholding
Mr. Man Hoi Yuen	Hoi Lang Holdings Ltd.	Beneficial owner	50 shares (L)	50%
Ms. Ng Yuen Chun	Hoi Lang Holdings Ltd.	Beneficial owner	30 shares (L)	30%
Mr. Ho Chi Hong	Hoi Lang Holdings Ltd.	Beneficial owner	20 shares (L)	20%

Note:

- (1) The letters “L” denotes the respective “long position” (as defined under Part XV of the SFO) of the relevant person/entity in the shares of the relevant associated corporation.

Save as disclosed above, as at 30 September 2020, 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 2020, 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 <sup>(1)</sup>	Percentage of shareholding
Hoi Lang Holdings Ltd. <sup>(2)</sup>	Beneficial owner	360,000,000(L)	75%



Notes:

- (1) The letters “L” denotes the respective “long position” (as defined under Part XV of the SFO) of the relevant person/entity in such Shares.
- (2) Hoi Lang Holdings Ltd. held 75% of the total issued share capital of our Company and Hoi Lang Holdings Ltd. was in turn owned by Mr. Man Hoi Yuen (our executive director and chairman of our Board), Ms. Ng Yuen Chun (our executive director) and Mr. Ho Chi Hong (our executive director and chief executive officer) as to 50%, 30% and 20%, respectively.

Save as disclosed above, as at 30 September 2020, 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. 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 2020.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SECURITIES**

During the six months ended 30 September 2020, 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 2020.

## **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 2020 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 2020, 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 2020 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 2020 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, Mr. 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 2020 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, 27 November 2020