Yield Go Holdings Ltd.
耀高控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code : 1796

2022
Annual Report

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Mr. Siu Wing Kin

AUTHORISED REPRESENTATIVES

Mr. Ho Chi Hong
Mr. Siu Wing Kin

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3, 32/F
Cable TV Tower
No. 9 Hoi Shing Road
Tsuen Wan, New Territories
Hong Kong

LEGAL ADVISER

As to Hong Kong Law

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

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road
North Point
Hong Kong

AUDITORS

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

Corporate Information

PRINCIPAL BANK

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

COMPANY'S WEBSITE

www.yield-go.com

STOCK CODE

1796

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Yield Go Holdings Ltd. (the "**Company**") and its subsidiaries (collectively, the "**Group**"), I hereby present the annual report of the Group for the year ended 31 March 2022 (the "**Review Year**") to all the shareholders.

After two consecutive challenging years of severe socioeconomic disturbances, Hong Kong finally staged a noticeable recovery in 2021, with a GDP expansion of 6.4%. However, its economic size is still well below the levels before the novel coronavirus ("**COVID-19**") hit the city. When comparing Hong Kong's financial performances through each quarter of the year, some downward pressure was clearly present during the latter half, as the reoccurring waves of the COVID-19 outbreak complicated the path towards a complete recovery.

Despite somewhat encouraging signs of economic growth, the recovery was highly uneven across the various industries. Led by rising demands from major economies in the world and stimulated by the local consumption vouchers, exported goods, and domestic consumption were the major drives. On the other hand, with the COVID-19 control measures still in place, Hong Kong's construction industry is far from recovering. According to the Census and Statistics Department's Quarterly Business Tendency Survey conducted from 2 December 2021 to 11 January 2022, business sentiment among large enterprises in Hong Kong's construction industry was the lowest among all sectors. As a sub-sector under the construction industry, the fitting-out market, also severely disrupted by the COVID-19 situation, is yet to bounce from the bottom.

Our Group is an established fitting-out contractor in Hong Kong with over 26 years of experience since the establishment of our principal operating subsidiary, Hoi Sing Decoration Engineering Company Limited ("**Hoi Sing Decoration**"), in 1995. We supervise project management and implementation, whereas on-site labour-intensive works are outsourced to our trusted subcontractors, who have been working with us for years. As one of the most reputable players in the market, the Group had been able to tender a considerable amount of projects even under the severely disrupted business environment, but the current situation adversely impacted the number of sizable projects available and the Group's profitability.

For the Review Year, the Group's total revenue amounted to approximately HK$232.2 million, representing a decrease of approximately 16.5% compared to that of the year ended 31 March 2021 ("**FY2021**"). Loss attributable to equity holders of the Company for the Review Year was approximately HK$4.0 million, decreased by approximately HK$28.5 million compared to that of FY2021, attributable to the improved cost control measures the Group put in place during the Review Year.

Though a high vaccination rate has allowed Hong Kong to achieve herd immunity against COVID-19, according to many healthcare experts, the sixth wave of the outbreak is to be expected, as the currently spreading Omicron variant of the virus appears to be significantly less responsive to the vaccines. Hong Kong's economic recovery is believed to continue in 2022 at a much milder pace, with the market condition hinging on the development of COVID-19 outbreaks and the related anti-epidemic measure. As of May 2022, the Hong Kong government has already downgraded its 2022 economic growth forecast to a range between 1% to 2%, which was lowered from a previous prediction of 2% to 3.5%.

Chairman's Statement

The fitting-out industry depends heavily on the onsite works and correlates closely to the domestic economic trends. As such, we expect the Group to continue operating in challenging environments in the coming two years, and the recovery momentum will be hindered by on-going COVID-19 precautionary measures and the increased operating costs.

Having navigated the adverse environment for the past couple of years, the Group remains cautious about the business outlook for the near future. However, leveraging on our decades of experience and reputation, we stay hopeful for the Group to regain growth momentum when the market conditions recover eventually. We will monitor the industry trends closely and take prudent measures to improve our profitability in the coming year.

Man Hoi Yuen
Chairman and Executive Director

Management Discussion and Analysis

INDUSTRY OVERVIEW

In 2021, the world finally saw the much-needed recovery from the COVID-19 pandemic, as the major economies achieved significant GDP growth and eased the restrictions on business operations. The world output grew 6.1% in 2021, with both the US and Euro area GDP expanding well above 5%, reversing the contractions they suffered in the previous year. China continued to lead the path of recovery by registering an impressive GDP growth rate of 8.1% in 2021. However, the economic recovery was fragile and uneven. Many less wealthy countries are still caught in the turbulence of challenges brought by the COVID-19 pandemic, and warning signs of inflation started to compromise the economic healing process for even the wealthiest regions.

In Hong Kong, though COVID-19 outbreaks remained relatively mild and business restrictions were manageable compared to many other regions, the first two years after the pandemic hit were still extremely tough. So much disturbance has already been caused to Hong Kong's overall economy and the business environment of the various industries that the GDP expansion of 6.4% recorded in 2021 did not seem to bring the city back to its pre-COVID dynamics. Its economy size is indeed still about 2% below what it was in 2018.

Even before the social unrest in 2019 and without the disturbance from the COVID-19 pandemic, Hong Kong's construction industry had been facing challenges in rising labour costs, lack of experienced workers, intensifying competition, and unstable material prices. Two years of the pandemic had resulted in even less sizable projects available in the market, even higher operating costs due to the repeated disturbance of work schedules, and an even less stable supply of materials. According to an economic letter issued in January 2022 by the Office of the Government Economist, the COVID-19 pandemic is estimated to have caused Hong Kong's construction industry to lose around 22.5% of its business, which is slightly worse than the losses estimated for 2020. As more warning signs hinder the confidence of the city's business operators and homeowners, the fitting-out market had another struggling year.

BUSINESS REVIEW AND OUTLOOK

The Group is an established fitting-out contractor in Hong Kong, with over 26 years of experience since the establishment of one of our principal operating subsidiaries, Hoi Sing Decoration Engineering Company Limited ("**Hoi Sing Decoration**") in 1995. The Group's fitting-out services include both (i) fitting-out works conducted on new buildings; and (ii) interior renovation works on existing buildings that involve upgrades, makeovers and demolition of existing works. Hoi Sing Decoration and Milieu Wooden Company Limited ("**Milieu**"), an indirect wholly-owned subsidiary of the Company, are registered under the voluntary Subcontractor Registration Scheme of the Construction Industry Council. Their services are mainly offered to residential and commercial properties in Hong Kong on a project basis.

The Group's sources of revenue are grouped into two categories: residential and non-residential fitting-out services. During the Review Year, the Group's revenue decreased by approximately 16.5% to approximately HK$232.2 million (FY2021: HK$278.2 million). Such decrease was primarily attributable to (i) the decrease in the number of large-sized projects undertaken; and (ii) the adoption of a more competitive project pricing strategy by the Group in order to secure new projects (notwithstanding a relatively low gross profit margin) during the Review year in response to the intense market competition.

Though Hong Kong has reached its goal of COVID-19 vaccination rate, the latest variant of the virus is dodging the protection incurred by the injections. The city's leading healthcare teams are warning the public of the high likelihood of the sixth wave of COVID-19 outbreaks and the anti-epidemic precautions are expected to be tightened when it occurs. Under such an environment, the business sentiment in the city continues to struggle.

Management Discussion and Analysis

Global wise, the war in Ukraine has triggered a costly crisis, resulting in economic damage, rapidly rising food and fuel prices, and elevated inflation that is hurting all economies. In its April 2022 issue of World Economic Outlook, the International Monetary Fund projected the global growth to slow from 6.1% in 2021 to 3.6% in 2022, which is 0.8 percentage points lower than its previous projection made in January. The US responded to the inflationary pressures with a new rise in federal benchmark interest rates, causing Hong Kong to announce in May 2022 that its base rate would be increased according to the pre-set formula, potentially adding more difficulties to local businesses.

With the unpredictable domestic and global economic outlook, the warning elevation of inflation, as well as rising chances of more logistic disturbance, Hong Kong's financial and business environment is expected to stay challenging in the near future. The construction and fitting-out industry, relying largely on on-site works, stays the most vulnerable to the development of the COVID-19 pandemic. We believe the Group shall be operating in a challenging environment in the coming two years. Thus, we shall stay highly cautious and prudent in managing our day-to-day operations. Yet we will monitor the market conditions closely, and stay prepared for grasping the potential opportunities when the COVID-19 pandemic eventually ends and the economic environment resumes.

FINANCIAL REVIEW

Revenue

During the Review Year, the Group's revenue decreased by approximately HK$46.0 million or 16.5% to approximately HK$232.2 million (FY2021: approximately HK$278.2 million). Such decrease was primarily due to (i) the decrease in the number of large-sized projects undertaken; and (ii) the adoption of a more competitive project pricing strategy by the Group in order to secure new projects (notwithstanding a relatively low gross profit margin) during the Review year in response to the intense market competition.

Gross Profit/(Loss) and Gross Profit/(Loss) Margin

During the Review Year, the Group's gross loss decreased by approximately HK$38.0 million to a gross profit of approximately HK$9.9 million (FY2021: gross loss of approximately HK$28.1 million). The turnaround in gross profit and gross profit margin was attributable to (i) the improvement in the overall construction costs control under the current fierce industry competition during the Review Year; (ii) gross loss recorded from a project undertaken by the Group at Tuen Mun during FY2021 due to unexpected additional costs incurred.

Other Gains

During the Review Year, the Group recorded other gains of approximately HK$158,000 (FY2021: approximately HK$11.8 million). Such decrease was primarily due to the subsidies from government grant in relation to the Employment Support Scheme for Regular Employees and Construction Sector (Casual Employees) under Anti-epidemic Fund of approximately HK$11.6 million during FY2021.

Administrative and Other Operating Expenses

During the Review Year, the Group's administrative and other operating expenses decreased by approximately HK$1.9 million or 13.1% to approximately HK$12.6 million (FY2021: approximately HK$14.5 million). Such decrease was primarily due to the decrease in depreciation, staff cost and professional fees incurred during the Review Year.

Finance Costs

During the Review Year, the Group's finance costs decreased by approximately HK$0.3 million or 17.6% to approximately HK$1.4 million (FY2021: approximately HK$1.7 million). Such decrease was primarily due to the decrease in average interest rate of the renewed bank borrowings during the Review Year.

Income Tax Credit

During the Review Year, the Group's income tax credit decreased by approximately HK$33,000 to approximately HK$6,000 (FY2021: approximately HK$39,000). Such decrease was primarily due to the decrease in gross loss during the Review Year as discussed above.

Net Loss

During the Review Year, loss and total comprehensive expense attributable to equity holders of the Company decreased by approximately HK$28.5 million to approximately HK$4.0 million (FY2021: approximately HK$32.5 million). Such decrease was primarily due to the improvement in cost control during the Review Year as discussed above.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Review Year, there was no change in the capital structure of the Group. The capital of the Company comprises only ordinary shares. As at 31 March 2022, the Company's issued capital was HK$4.8 million and the number of its issued ordinary shares of the Company (the "**Shares**") was 480,000,000 Shares of HK$0.01 each.

As at 31 March 2022, the Group had total cash and bank balances and restricted cash of approximately HK$20.7 million (FY2021: approximately HK$26.6 million). Such decrease was due to the net effect of net cash generated from investing activities and net cash used in operating and financing activities of approximately HK$5.9 million.

The Group's gearing ratio, calculated as total borrowings (including total interest-bearing liabilities and amount due to a director) divided by the total equity, decreased from approximately 35.3% as at 31 March 2021 to approximately 34.7% as at 31 March 2022. The decrease was primarily due to decrease in an amount due to a director as at 31 March 2022.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

PRINCIPAL RISKS AND UNCERTAINTIES

Our Directors are aware that our Group is exposed to various risks and uncertainties. The following are the key risks and uncertainties faced by our Group:

Industry Risks

Some of our competitors may have more resources, longer operating histories, stronger relationships with customers and reputable brand names and therefore we may face competition from other existing and/or new contractors in the tender process for fitting-out projects. Due to the large number of competitors, we may face significant downward pricing pressure thereby reducing our profit margins. If we cannot adapt effectively to market conditions and customer preferences or otherwise fail to provide a competitive bid as compared to our competitors, our services may not be attractive to customers and our business may be materially and adversely affected. Our competitors may also adopt aggressive pricing policies or develop relationships with our customers in a manner that could significantly harm our ability to secure contracts. If we fail to maintain our competitiveness in the future, our business, financial condition and results of operation may be materially and adversely affected.

Compliance Risks

Many aspects of our business operation are governed by various laws and regulations and government policies. There is no assurance that we will be able to respond to any such changes in a timely manner. Such changes may also increase our costs and burden in complying with them, which may materially and adversely affect our business, financial condition and results of operation. If there are any changes to and/or imposition of the requirements for qualification in the fitting-out industry in relation to environmental protection and labour safety, and we fail to meet the new requirements in a timely manner or at all, our business operation will be materially and adversely affected. Our executive Directors would hold regular meetings to ensure our Group's operations are in compliance with all applicable statutory requirements.

Uncertainties in Work Progress

We rely on the due and timely performance of our subcontractors for the timely delivery of our works. If our subcontractors' performance is not up to standard, we may not be able to rectify the substandard work or engage another subcontractor in time or at all. We may also not be able to replace materials of inferior quality procured by our subcontractors in time or at all or unless at extra costs. Any material non-performance, delayed performance or substandard performance of our subcontractors could result in deterioration of our service quality or unexpected delays in our scheduled completion time or even our ability to complete our projects, which could in turn damage our reputation, and potentially expose us to liability under the main contracts with our customers.

Failure to Guarantee New Business

Our revenue is typically derived from projects which are non-recurring in nature and our customers are under no obligation to award projects to us. During the Review Year, we secured new businesses mainly through direct invitation for quotation or tender by customers. However, we were adversely affected by the COVID-19 pandemic during the Review Year. We cannot assure you that (i) we will be invited to provide quotations or participate in the tendering process for new projects; and (ii) our submitted quotations and tenders will be selected by customers. Accordingly, the number and scale of projects and the amount of revenue we are able to derive therefrom may vary significantly from period to period, and it may be difficult to forecast the volume of future business. In the event that we fail to secure new contracts or there is a significant decrease in the number of tender/quotation invitations or contracts available for bidding in the future, our business, financial position and prospects may be materially and adversely affected.

Our Directors believe that the public listing status will enhance our corporate profile and brand awareness among business stakeholders such as customers, contractors, project owners and government authorities. We believe that the public listing status will strengthen our internal control and corporate governance practices, which in turn would bolster our customers' and suppliers' confidence in us and attract potential new customers, as well as quality suppliers and subcontractors. Customers would tend to give preference to contractors who have a public listing status with good reputation, transparent financial disclosures and regulatory supervision. Our Directors believe that we will be able to maintain our competitiveness among the market leaders and differentiate ourselves from other competitors which are private companies during the tendering process, thus enhancing our success rate in securing sizeable projects.

Management Discussion and Analysis

PLEDGE OF ASSETS

As at 31 March 2022, the Group's bank borrowings were secured by (i) corporate guarantee given 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 Hoi Yuen ("**Mr. Man**") and Ms. Ng Yuen Chun ("**Mrs. Man**") (which falls within Rule 14A.90 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")); and (iv) pledge of property owned by Hoi Sing Holdings (HK) Limited, a related party controlled and owned by Mr. Man and Mrs. Man (which falls within Rule 14A.90 of 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 Review Year.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

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

	2022 **HK$'000**	2021 HK$'000
Property, plant and equipment	**92**	92

On 11 March 2022, the Company's indirect wholly-owned subsidiary, Hoi Sing Decoration, received a letter of demand from a sub-contractor for outstanding payments in respect of construction work and subsequent to 31 March 2022, a writ of summons was issued by the sub-contractor against Hoi Sing Decoration for a sum of approximately HK$44.0 million. Hoi Sing Decoration issued a writ of summons against the sub-contractor to claim approximately HK$8.0 million for overpayment of construction work. Up to the date of this report, such legal proceedings are still in process. Based on the information available and advice from the Company's legal counsel, the Board considered that the outcome for the above claims is uncertain. Accordingly, no provision has been made to the consolidated financial statements.

Save as disclosed above, the Group had no other material contingent liabilities as at 31 March 2022 (31 March 2021: Nil).

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

During the Review Year, the Group did not have any significant investment, material acquisitions or disposals of subsidiaries or associated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have other future plans for material investments or capital assets during the Review Year.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2022, the Group employed a total of 56 full-time employees (including three executive Directors but excluding three independent non-executive Directors) as compared to a total of 55 full-time employees as at 31 March 2021. The remuneration packages that the Group offers to employees include salary, discretionary bonuses and other cash subsidies. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of its decisions with respect to salary raises, bonuses and promotions. The total staff cost incurred by the Group for the Review Year was approximately HK$20.2 million compared to approximately HK$28.4 million in the FY2021.

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.

DIVIDENDS

The Board has resolved not to declare any annual dividend for the Review Year (FY2021: nil).

DIVIDEND POLICY

The Board endeavors to strike a balance between the interests of the shareholder and prudent capital management with a sustainable dividend policy. In proposing any dividend payout, the Board shall take into consideration of, among others, the following factors:

1. operations and financial performance;
2. profitability;
3. business development;
4. prospects;
5. capital requirements;
6. economic outline; and
7. any other factors that the Board consider appropriate.

The Board will review the dividend policy as appropriate from time to time.

Biographical Details of the Directors and Senior Management

Biographical details of the Directors and senior management are set out as follows:

DIRECTORS

Executive Directors

Mr. Man Hoi Yuen (文海源) ("Mr. Man"), aged 60, was appointed as our Director on 9 May 2018, and re-designated as an executive Director on 7 June 2018. He was also appointed as chairman of our Board on 6 December 2018. He is mainly responsible for overall management, strategic development and major decision-making of our Group. Mr. Man is also the chairman of the nomination committee of our Board. Mr. Man is the spouse of Mrs. Man. Prior to founding Hoi Sing Decoration with Mrs. Man in 1995, Mr. Man worked for a construction company since 1982. As one of the founders of our Group, Mr. Man has over 26 years of experience in the fitting-out industry. Mr. Man is also one of the directors of each of Link Shing Holdings Ltd. ("**Link Shing**"), Hoi Sing Decoration, Hoi Sing Construction (H.K.) Limited ("**Hoi Shing Construction**"), Chun Shing Development Co., Limited ("**Chun Shing Development**") and Milieu. Mr. Man attended secondary education.

Mr. Man has entered into a service agreement (the "**Service Agreement**") with the Company for an initial term of three years commencing on 31 December 2018 and will continue thereafter until terminated in accordance with the terms of the agreement. During the Review Year, he has entered into a letter of renewal with the Company to renew the Service Agreement for a further term of three years commencing from the expiry of the Service Agreement upon the same terms. The amount of emoluments paid for the Review Year to Mr. Man is set out in note 12 to the consolidated financial statements for the Review Year in this report. Such remuneration/emoluments will be reviewed annually by the Board and the remuneration committee and he is also entitled to a discretionary bonus with reference to his performance and the operating results of the Group.

Save for currently being an executive Director, Mr. Man has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. As at 31 March 2022, he was interested in 360,000,000 Shares held through Hoi Lang Holdings Ltd. ("**Hoi Lang**") (representing 75% of the aggregate number of Shares in issue). Save as disclosed above, Mr. Man was not interested in any Shares within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**") as at 31 March 2022. Save as disclosed above, Mr. Man does not have any relationship with any other Directors, senior management or substantial shareholder or controlling shareholder of the Company.

Ms. Ng Yuen Chun (吳婉珍) ("Mrs. Man"), aged 56, was appointed as our Director on 9 May 2018 and was re-designated as an executive Director on 7 June 2018. She is mainly responsible for overall management and overseeing administrative matters of our Group. Mrs. Man is one of the founders of our Group and the spouse of Mr. Man. Mrs. Man attended secondary education. Mrs. Man co-established Hoi Sing Decoration with Mr. Man in 1995 and has over 26 years of experience in the fitting-out industry. Mrs. Man is also one of the directors of each of Link Shing, Hoi Sing Decoration, Hoi Sing Construction, Chun Shing Development and Milieu.

Mrs. Man has entered into a service agreement (the "**Service Agreement**") with the Company for an initial term of three years commencing on 31 December 2018 and will continue thereafter until terminated in accordance with the terms of the agreement. During the Review Year, she has entered into a letter of renewal with the Company to renew the Service Agreement for a further term of three years commencing from the expiry of the Service Agreement upon the same terms. The amount of emoluments paid for the Review Year to Mrs. Man is set out in note 12 to the consolidated financial statements for the Review Year in this report. Such remuneration/emoluments will be reviewed annually by the Board and the remuneration committee and she is also entitled to a discretionary bonus with reference to her performance and the operating results of the Group.

Save for currently being an executive Director, Mrs. Man has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. As at 31 March 2022, she was interested in 360,000,000 Shares held through Hoi Lang (representing 75% of the aggregate number of Shares in issue). Save as disclosed above, Mrs. Man was not interested in any Shares within the meaning of Part XV of the SFO as at 31 March 2022. Save as disclosed above, Mrs. Man does not have any relationship with any other Directors, senior management or substantial shareholder or controlling shareholder of the Company.

Biographical Details of the Directors and Senior Management

Mr. Ho Chi Hong (何志康) ("Mr. Ho"), aged 46, was appointed as our Director on 9 May 2018 and was re-designated as an executive Director on 7 June 2018. He is also our chief executive officer and mainly responsible for overseeing the tendering activities and participating in the day-to-day operation and management of our Group. Mr. Ho became one of the shareholders of Hoi Sing Decoration in August 2014 and one of the directors of Hoi Sing Decoration since October 2014.

Mr. Ho obtained a degree of Bachelor of Science in Quantity Surveying from the University of Greenwich in the United Kingdom in July 1998. Mr. Ho has accumulated about 23 years of experience in the construction industry. Prior to joining our Group in May 2001, he was an assistant quantity surveyor in Hoo Cheong Building Construction Co., Ltd. from July 1998 to March 2001.

Mr. Ho has entered into a service agreement (the "**Service Agreement**") with the Company for an initial term of three years commencing on 31 December 2018 and will continue thereafter until terminated in accordance with the terms of the agreement. During the Review Year, he has entered into a letter of renewal with the Company to renew the Service Agreement for a further term of three years commencing from the expiry of the Service Agreement upon the same terms. The amount of emoluments paid for the Review Year to Mr. Ho is set out in note 12 to the consolidated financial statements for the Review Year in this report. Such remuneration/emoluments will be reviewed annually by the Board and the remuneration committee and he is also entitled to a discretionary bonus with reference to his performance and the operating results of the Group.

Save for currently being an executive Director, Mr. Ho has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Save as disclosed above, Mr. Ho was not interested in any Shares within the meaning of Part XV of the SFO as at 31 March 2022. Save as disclosed above, Mr. Ho does not have any relationship with any other Directors, senior management or substantial shareholder or controlling shareholder of the Company.

Independent Non-Executive Directors

Mr. Chan Ka Yu (陳家宇) ("Mr. Chan"), aged 43, was appointed as our independent non-executive Director on 6 December 2018. He is mainly responsible for overseeing the management independently and providing independent judgment on our strategy, performance, resources and standard of conduct of our Group. He is the chairman of our audit committee, and a member of each of our remuneration committee and nomination committee.

Mr. Chan has over 10 years of professional accounting and financial reporting experience. From July 2004 to July 2007, Mr. Chan worked as an accountant at Kam & Cheung Certified Public Accountants. From July 2007 to August 2010, he was a senior auditor at World Link CPA Limited. From September 2010 to April 2012, he worked at BDO Limited (which was formerly known as JBPB & Company), initially as a senior accountant and subsequently promoted as a senior associate. From May 2012 to April 2013, Mr. Chan was an investor relations officer at Fantasia Group (China) Company Limited, a subsidiary of Fantasia Holdings Group Co., Limited (花樣年控股集團有限公司) (stock code: 1777), the shares of which are listed on the Main Board of the Stock Exchange. Since June 2013, he has been working as the chief financial officer of Virtual Mind Holding Company Limited (天機控股有限公司)(formerly known as CEFC Hong Kong Financial Investment Company Limited (香港華信金融投資有限公司) (stock code: 1520), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Chan currently is an independent non-executive director of Dragon Rise Group Holdings Limited (龍昇集團控股有限公司) (stock code: 6829) and TS Wonders Holding Limited (stock code: 1767), both shares of which are listed on the Main Board of the Stock Exchange.

Biographical Details of the Directors and Senior Management

Mr. Chan obtained a degree of Bachelor of Commerce in Accounting from Hong Kong Shue Yan University in October 2009. He is a member of The Hong Kong Institute of Certified Public Accountants since March 2009.

Mr. Chan has entered into a letter of appointment (the "**Letter of Appointment**") for a fixed term of three years with effect from 31 December 2018 and will continue thereafter until terminated in accordance with the terms of the appointment. During the Review Year, he has entered into a letter of renewal with the Company to renew the Letter of Appointment for a further term of three years commencing from the expiry of the Letter of Appointment upon the same terms. He is entitled to an annual director's fee of HK$180,000.

Save as disclosed above, Mr. Chan has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. He is not connected with any Directors, senior management, substantial or controlling shareholders of the Company, nor does he have any interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Dr. Lo Ki Chiu (盧其釗) ("Dr. Lo"), aged 37, was appointed as our independent non-executive Director on 6 December 2018. He is mainly responsible for overseeing the management independently and providing independent judgment on our strategy, performance, resources and standard of conduct of our Group. He is a member of each of our remuneration committee and audit committee.

Dr. Lo is currently the managing director of Wealth Property Agency Limited, which he joined in December 2007 first as an account executive. He is also a honorary assistant professor in the School of Arts and Social Sciences of the Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong). Dr. Lo was a guest lecturer of The Education University of Hong Kong from January 2017 to June 2017. He was also a part-time instructor and an assistant instructor of the Lingnan Institute of Further Education, Lingnan University from February 2017 to June 2017 and from September 2012 to August 2013, respectively. Dr. Lo was an independent non-executive director of Wang Yang Holdings Limited (泓盈控股有限公司) (currently known as Central Holdings Group Co. Ltd. (中環控股集團有限公司)) (stock code: 1735), the shares of which are listed on the Main Board of the Stock Exchange, from March 2018 to October 2019.

Dr. Lo obtained (i) a degree of Bachelor of Arts in Physical Education and Recreation Management from the Hong Kong Baptist University in November 2007; (ii) a degree of Master of Science in International Banking and Finance from the Lingnan University in October 2009; (iii) a degree of Master of Philosophy in Economics from the Lingnan University in October 2011; and (iv) a degree of Doctor of Philosophy in the Hong Kong Baptist University in November 2019.

Dr. Lo has entered into a letter of appointment (the "**Letter of Appointment**") for a fixed term of three years with effect from 31 December 2018 and will continue thereafter until terminated in accordance with the terms of the appointment. During the Review Year, he has entered into a letter of renewal with the Company to renew the Letter of Appointment for a further term of three years commencing from the expiry of the Letter of Appointment upon the same terms. He is entitled to an annual director's fee of HK$180,000.

Save as disclosed above, Dr. Lo has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. He is not connected with any Directors, senior management, substantial or controlling shareholders of the Company, nor does he have any interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Biographical Details of the Directors and Senior Management

Mr. Leung Wai Lim (梁唯廉) ("Mr. Leung"), aged 49, was appointed as our independent non-executive Director on 6 December 2018. He is mainly responsible for overseeing the management independently and providing independent judgment on our strategy, performance, resources and standard of conduct of our Group. He is the chairman of our remuneration committee, and a member of each of our audit committee and nomination committee.

Mr. Leung is an adjudicator appointed to the Panel of Adjudicators (Control of Obscene and Indecent Articles) (established under the Control of Obscene and Indecent Articles Ordinance (Chapter 390 of the Laws of Hong Kong)) and a member of the Board of Review (Inland Revenue Ordinance) in Hong Kong.

Mr. Leung has over 20 years of law related working experience. Mr. Leung was employed by DLA Piper Hong Kong from February 2001 to April 2009 at which his last position was partner. He was then employed by Eversheds Hong Kong from May 2009 to April 2015 at which his last position was partner. Since May 2015 up to the present, Mr. Leung has been a partner of Howse Williams (formerly known as Howse Williams Bowers). Mr. Leung is currently an independent non-executive director of Shun Wo Group Holdings Limited (汛和集團控股有限公司) (stock code: 1591) and China New Economy Fund Limited (中國新經濟投資有限公司) (stock code: 80), both shares of which are listed on the Main Board of the Stock Exchange.

Mr. Leung obtained a degree of Bachelor of Laws from University of Wales in the United Kingdom in July 1995. Mr. Leung was admitted to practice law as a solicitor in Hong Kong in August 1999 and in England and Wales in April 2001.

Mr. Leung has entered into a letter of appointment (the "**Letter of Appointment**") for a fixed term of three years with effect from 31 December 2018 and will continue thereafter until terminated in accordance with the terms of the appointment. During the Review Year, he has entered into a letter of renewal with the Company to renew the Letter of Appointment for a further term of three years commencing from the expiry of the Letter of Appointment upon the same terms. He is entitled to an annual director's fee of HK$180,000.

Save as disclosed above, Mr. Leung has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. He is not connected with any Directors, senior management, substantial or controlling shareholders of the Company, nor does he have any interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Saved as disclosed above, there was no change to any information required to be disclosed in relation to any Director pursuant to Rule 13.51(2)(a) to (e) and (g) of the Listing Rules during the Review Year. The Board is not aware of any information that ought to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters that ought to be brought to the attention of the shareholders of the Company.

Biographical Details of the Directors and Senior Management

Senior Management

Mr. Siu Wing Kin (蕭永健) ("Mr. Siu"), aged 51, joined our Group in November 2017 and is our company secretary and financial controller. Mr. Siu is mainly responsible for overall management of financial matters and company secretarial matters of our Group. Mr. Siu has over 26 years of audit, accounting and financial management experience. Mr. Siu obtained a degree of Bachelor of Economics (major in accounting) from The University of Sydney in Australia in June 1996. He is also a member of The Hong Kong Institute of Certified Public Accountants.

From July 1996 to July 2001, Mr. Siu worked for S.N. Tsang & Co., at which his last position was audit manager. Mr. Siu joined Mayor Packaging Enterprises (1968) Ltd. as a finance and administration manager from June 2001 to January 2005. He then joined CCT Telecom (HK) Limited as a finance manager from August 2006 to October 2008. He worked for Hayco (Hong Kong) Limited as a finance manager from May 2013 to June 2014. From September 2014 to October 2017, Mr. Siu worked for Mega Precision Technology Limited at which his last position was deputy chief operation officer.

Ms. Cheung Lai Yi (張麗儀) ("Ms. Cheung"), aged 48, joined our Group in November 1997 and is our administration and account manager. Ms. Cheung is mainly responsible for overall management of human resources and administrative matters of our Group. She has over 23 years of administrative experience. Ms. Cheung attended secondary education. Prior to joining our Group, Ms. Cheung worked as a QA inspector in AST Research (Far East) Limited from November 1994 to January 1996.

Corporate Governance Report

The Group recognises the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Group is committed to maintaining good corporate governance to safeguard the interest of shareholders and to achieve effective accountability because the Group believes that is the best way to maximise our shareholder's value.

The Company has applied the principles of and complied with the applicable code provisions (the "**Code Provisions**") as set out under the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules. The Directors will periodically review on the Company's corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the Code Provisions from time to time. During the Review Year and up to the date of this report, the Company has complied with all the applicable Code Provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

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

THE BOARD

Composition

The Company is committed to holding the view that the Board should include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgment. As at the date of this report, the Board is chaired by Mr. Man Hoi Yuen and comprised of six members including three executive Directors and three independent non-executive Directors.

Biographical details of the Directors and relationship between Board members are set out in the section headed "Biographical Details of the Directors and Senior Management" in this report.

Executive Directors:

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

Independent Non-Executive Directors:

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

Chairman and Chief Executive Officer

To ensure a balance of power and authority, the position of the chairman and chief executive officer of the Company are held by different individuals. Mr. Man Hoi Yuen is the chairman and Mr. Ho Chi Hong is the chief executive officer. The primary role of the chairman is to provide leadership for the Board and to ensure it works effectively in discharging its responsibilities. The chief executive officer is responsible for the day-to-day management of the Group's business.

Board Diversity Policy

The Board has adopted a board diversity policy (the "**Board Diversity Policy**"). The summary of the Board Diversity Policy is disclosed as below:

- the Company recognises the benefits of having a diverse Board to enhance the quality and effectiveness of the Board;
- in designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- all Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board;
- the selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board; and
- the nomination committee of the Board will report on the Board's composition under diversified perspectives, monitor the implementation of the Board Diversity Policy, review the Board Diversity Policy to ensure effectiveness and recommend for any revisions to the Board for consideration and approval.

Independent Non-Executive Directors

The independent non-executive Directors have been appointed by the Company for a fixed term of three years commencing from 31 December 2018. Such appointment may be terminated in accordance with the terms of the letters of appointment, including by either party giving to the other party not less than three months' advance written notice of termination.

The independent non-executive Directors have brought in a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all independent non-executive Directors will continue to make various contributions to the Company.

Throughout the Review Year, the Company had three independent non-executive Directors, meeting the requirements of the Listing Rules that the number of independent non-executive Directors must represent at least one-third of the Board members, and that at least one of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise.

Each of the independent non-executive Directors has given an annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. As at the date of this report, the Company is of the view that all independent non-executive Directors are independent in accordance with the relevant requirements under the Listing Rules.

Appointment, Re-Election and Removal of Directors

Each of the Directors has entered into a service agreement or a letter of appointment with the Company for a specific term and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the amended and restated memorandum and articles of association (the "**Restated Articles**").

In accordance with article 84 of the Restated Articles, at each annual general meeting, one third of the Directors for the time being will retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors who shall retire in each year will be those who have been longest in the office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

In accordance with article 83 of the Restated Articles, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with article 84 of the Restated Articles, Mr. Ho Chi Hong and Dr. Lo Ki Chiu will retire as Directors by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

Role and Responsibilities

The Board is responsible for the overall management of the Group and all day-to-day operations and management of the Company's business has been delegated to management under the leadership of the chief executive officer of the Company.

The principal roles of the Board are to:

- set long term objectives and strategies;
- approve major policies and guidelines;
- prepare and approve financial statements, annual report and interim report;
- approve major capital expenditures, acquisition and disposals;
- approve connected transactions;
- approve material borrowings and expenditures;
- review and monitor of internal control and risk management; and
- declare and recommend the payments of dividends.

Corporate Governance Report

No corporate governance committee has been established and the Board is responsible for the corporate governance functions of the Company, which includes:

- develop and review the Company's policies and practices on corporate governance;
- review and monitor the training and continuous professional development of Directors and senior management;
- review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- review the Company's compliance with the CG Code and disclosure in the corporate governance report.

The Directors will review the Group's corporate governance policies and compliance with the CG Code each financial year and comply with the "comply or explain" principle in the corporate governance report.

Directors' Insurance

The Company has arranged appropriate insurance coverage for all Directors in relation to the discharge of their responsibilities.

Directors' Training and Professional Development

The Company, from time to time, provides in-house trainings for the Directors in the form of seminars, workshops and/or reading relevant material on the latest development of applicable laws, rules and regulations, management, financial and business issues to develop and refresh their knowledge and skills. The above training costs are borne by the Company.

The Directors are required to provide the Company with details of the training's records. Training records of each Director received for the Review Year are summarised below:

	Type of trainings
Mr. Man Hoi Yuen	B
Ms. Ng Yuen Chun	B
Mr. Ho Chi Hong	B
Mr. Chan Ka Yu	A and B
Dr. Lo Ki Chiu	B
Mr. Leung Wai Lim	A and B

A: attending seminars/conferences/forums

B: reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

Meetings and Attendance

The Board is scheduled to meet four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in advance. For all other Board meetings, notice will be given in a reasonable time in advance. The Directors are allowed to include any matter in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at each of the Board meetings and to make informed decisions, an agenda and the accompanying Board papers will be sent to all Directors at least 3 days before the intended date of the Board meeting, or such other period as agreed.

Minutes of the Board and committee meetings are prepared and kept by the company secretary of the Company and are open for inspection by Directors upon request. All Directors have access to the advice and services of the company secretary and are allowed to seek external professional advice if needed.

During the Review Year, the Board held five meetings and one general meeting. The attendance record of each member of the Board is set out below:

	Board meeting attended/ Meeting convened	General meeting attended/ Meeting convened
Mr. Man Hoi Yuen	5/5	0/1[1]
Ms. Ng Yuen Chun	5/5	1/1
Mr. Ho Chi Hong	5/5	1/1
Mr. Chan Ka Yu	5/5	1/1
Dr. Lo Ki Chiu	5/5	1/1
Mr. Leung Wai Lim	5/5	1/1

Note:

(1) Mr. Man Hoi Yuen did not attend the annual general meeting of the Company held on 27 August 2021 since he was not in Hong Kong at that time.

BOARD COMMITTEES

To facilitate the work of the Board, the Board has established three Board committees to oversee specific aspects of the Company's affairs, namely the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**"). Each Board committee has its own terms of reference relating to its authority and duties, which have been approved by the Board and are reviewed periodically. The terms of reference of each committee are available on the websites of the Company and the Stock Exchange.

Each Board committee has been provided with sufficient resources to discharge its duties and, upon reasonable request, is able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Audit Committee

The Company established the Audit Committee 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 the Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (b) monitoring the integrity of our financial statements and annual reports and accounts, half-yearly reports and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgments contained in them; and (c) reviewing our financial controls, internal control and risk management systems.

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

During the Review Year, the Audit Committee held two meetings and the attendance record of each member of the Audit Committee is set out below:

	Meeting attended/ Meeting convened
Mr. Chan Ka Yu *(Chairman)*	2/2
Dr. Lo Ki Chiu	2/2
Mr. Leung Wai Lim	2/2

The following is a summary of the work performed by the Audit Committee for the Review Year:

- reviewed the annual results of the Group for FY2021 and the interim report of the Group for the six months ended 30 September 2021;
- reviewed the Group's financial information, financial report system, risk management and internal control procedures;
- reviewed the Company's auditors' independence and objectiveness;
- made recommendations to the Board on the re-appointment of the Company's external auditors;
- reviewed the Company's external auditors' management letter, significant findings and recommendations;

- reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- reviewed and discussed the reports from the Company's external consultant with the management; and
- met with the Company's external auditors, in the absence of the management.

There had been no disagreement between the Board and the Audit Committee during the Review Year and up to the date of this report.

Remuneration Committee

The Company established the Remuneration Committee with written terms of reference in compliance with the CG Code. The primary roles of the Remuneration Committee include, but are not limited to, (a) making recommendations to the Board on our policy and structure for the remuneration of all of our Directors and senior management personnel and on the establishment of a formal and transparent procedure for developing remuneration policy; (b) reviewing and approving our management's remuneration proposals with reference to the Board's corporate goals and objectives; and (c) making recommendations to the Board on the remuneration of the Directors and senior management.

The Remuneration Committee consists of three independent non-executive Directors, namely Mr. Leung Wai Lim, Mr. Chan Ka Yu and Dr. Lo Ki Chiu. Mr. Leung Wai Lim is the chairman of the Remuneration Committee.

The remuneration of the Directors and senior management is determined with reference to the responsibilities, workload, the time devoted and the performance of the Group. The Remuneration Committee also ensures that no individual will be involved in determining his own remuneration.

During the Review Year, the remuneration of senior management is listed as below by band:

Band of remuneration (HK$)	No. of person
HK$Nil–HK$1,000,000	2
HK$1,000,001–HK$2,000,000	0

Further details of the Directors' and chief executives' emoluments and the five highest paid individuals is set out in notes 12 and 13 to the consolidated financial statements.

During the Review Year, the Remuneration Committee held two meetings and the attendance record of each member of the Remuneration Committee is set out below:

	Meeting attended/ Meeting convened
Mr. Leung Wai Lim *(Chairman)*	2/2
Mr. Chan Ka Yu	2/2
Dr. Lo Ki Chiu	2/2

The following is a summary of the work performed by the Remuneration Committee during the Review Year:

- considered the remuneration paid to Directors and senior management with reference to their responsibilities, workload, the time devoted and the performance of the Group, as well as remuneration paid by other comparable listed companies;

- reviewed and made recommendations on the management remuneration proposals with reference to the corporate goals and objectives of the Board; and

- made recommendations to the Board on the remuneration of independent non-executive Directors.

Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with the CG Code. The primary roles of the Nomination Committee include, but are not limited to, (a) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement our corporate strategy; (b) identifying individuals suitably qualified to become the Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; and (c) assessing the independence of our independent non-executive Directors.

The Nomination Committee consists of an executive Director, namely Mr. Man Hoi Yuen and two independent non-executive Directors, namely Mr. Chan Ka Yu and Mr. Leung Wai Lim. Mr. Man Hoi Yuen is the chairman of the Nomination Committee.

During the Review Year, the Nomination Committee held two meetings and the attendance record of each member of the Nomination Committee is set out below:

	Meeting attended/ Meeting convened
Mr. Man Hoi Yuen *(Chairman)*	2/2
Mr. Chan Ka Yu	2/2
Mr. Leung Wai Lim	2/2

The Nomination Committee had reviewed the Board Diversity Policy and reported on the Board's composition under diversified perspectives and had monitored the implementation of the Board Diversity Policy.

The Company has adopted a nomination policy which sets out the nomination procedures for selecting candidates for election as Directors. Such policy is adopted by the Board and managed by the Nomination Committee. The Nomination Committee shall review the curriculum vitae to assess whether the potential candidate is 'fit and proper' for the appointment and can meet the requirements of relevant rules and regulations before recommendation is made to the Board.

The Nomination Committee had also recommended to re-elect Mr. Ho Chi Hong and Dr. Lo Ki Chiu as Directors at the forthcoming annual general meeting of the Company.

DIRECTORS' AND AUDITORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group. The Directors also acknowledge their responsibility to ensure the financial statements are published in a timely manner. The Directors are not aware of any material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The auditors' reporting responsibilities are set out in the section headed "Independent Auditor's Report" in this report.

AUDITORS' REMUNERATION

For the Review Year, the fee paid/payable to Grant Thornton Hong Kong Limited by the Group is set out as follows:

	HK$
Audit services	650,000
Non-audit services	150,000

The amount of fee incurred for the non-audit services represented HK$150,000 of the service fee paid to Grant Thornton Hong Kong Limited in relation to the review of financial information. The Audit Committee was satisfied that non-audit services for the Review Year did not affect the independence of the auditors.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the Company's risk management and internal control systems, and for reviewing its effectiveness.

In meeting its responsibility, the departmental heads of the Group have to complete a risk management and internal control self-assessment questionnaires, identify and evaluate those significant risks and confirm to the management that appropriate internal control policies and procedures have been established and properly complied with. The management then reviewed the findings and summarised all material issues to the Board and the Audit Committee annually.

The Group has established guidelines and procedures for the approval and control of expenditures, to ensure the reliability of the financial reporting, effectiveness and efficiency of operation and the compliance with applicable laws and regulations. Whilst these guidelines and procedures are designed to identify, monitor, report and follow up on risks that could adversely impact the achievement of the Group's business objectives, they do not provide absolute assurance against material mis-statement, errors, losses, fraud or non-compliance.

Although the Company does not have internal audit function, the Board has put in place adequate measures to perform the internal audit function at different aspects of the Group. The Company had engaged Keypoint Consulting Limited to review the effectiveness and efficiency of the Group's risk management and internal control systems in relation to the financial, operational and compliance controls, and the results were summarised and discussed with the Audit Committee and the Board. The Audit Committee and the Board are satisfied with the effectiveness and adequacy of the risk management and internal control systems of the Group.

INSIDE INFORMATION POLICY

The Company has established policy for ensuring that inside information is disseminated to the public in an equal and timely manner in accordance with applicable laws and regulations. Procedures such as limit access to inside information to those who need to know and requiring external parties to execute confidentiality agreement have been implemented by the Company to guard against mishandling of inside information. The Company also reminds those relevant personnel and other professional parties to preserve confidentiality of the inside information until it is publicly disclosed.

COMPANY SECRETARY

The Company has appointed Mr. Siu Wing Kin, who is responsible for facilitating the Board process, as well as communications among the Directors, with shareholders and management. Mr. Siu has confirmed that for the Review Year, he has taken no less than 15 hours of professional training to upgrade his skills and knowledge. The biography of Mr. Siu is set out in the section headed "Biographical Details of the Directors and Senior Management" in this report.

SHAREHOLDERS' RIGHTS

Procedures for Convening General Meetings by Shareholders

Pursuant to article 58 of the Restated Articles, the Board may, whenever it thinks fit, convene an extraordinary general meeting.

Extraordinary general meetings shall also be convened on the requisition of one or more shareholder holding, at the date of deposit of requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings.

Such requisition shall be made in writing to the Board or the company secretary of the Company by mail at Unit 3, 32/F, Cable TV Tower, No.9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for Putting Forward Proposals at Shareholders' Meeting

There are no provisions in the Restated Articles or the Companies Law of the Cayman Islands for shareholders to put forward new resolutions at general meetings. Shareholders who wish to put forward a new resolution may request the Company to convene a general meeting in accordance with the procedures set out in the above paragraph heading "Procedures for Convening General Meetings by Shareholders".

Pursuant to article 85 of the Restated Articles, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The period for lodgment of the notices required will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

Procedures by which Enquiries may be Put to the Board

The Group values feedback from shareholders on its efforts to promote transparency and foster investor relationship. Shareholders are welcomed to send their enquiries to the Board by post to the principal place of business set out in the section headed "Corporate Information" in this report.

INVESTOR RELATIONS

The Board strives to maintain on-going dialogue with shareholders and the investment community, the Company has established a shareholders' communication policy to set out the Company's procedures in providing the shareholders and investment community with ready, equal and timely access to balanced and understandable information about the Company.

Latest information on the Group including, but not limited to annual and interim reports, circulars, announcements and notices of annual general meetings are updated on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.yield-go.com).

In addition, the Company regards the annual general meeting as the primary forum for communication by the Company with its shareholders and for shareholder participation. Shareholders are encouraged to attend the annual general meeting, where all Board members and external auditors are available to answer questions on the Group's business.

The 2022 annual general meeting will be held on Friday, 26 August 2022, the notice of which shall be sent to the shareholders of the Company at least 20 clear business days prior to the meeting.

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

During the Review Year, there had been no significant changes in the constitutional documents of the Company.

Environmental, Social and Governance Report

NATURE AND SCOPE OF THE REPORT

The Group is a long-established fitting-out contractor in Hong Kong with over 26 years of experience since the establishment of its first business entity, Hoi Sing Decoration. Deeply rooted in the local communities in Hong Kong, the Group understands the necessity of caring for the environment and society and being responsible for the impacts of its corporate governance practices. Along with our business growth and financial gains, we value our commitment to our community and make every effort to achieve a sustainable business model. As such, the Group is pleased to present this Environmental, Social and Governance Report (the "**Report**") to provide an overview of our practices and performances in these aspects, as well as the compliance with relevant governing laws and the implementation of internal policies.

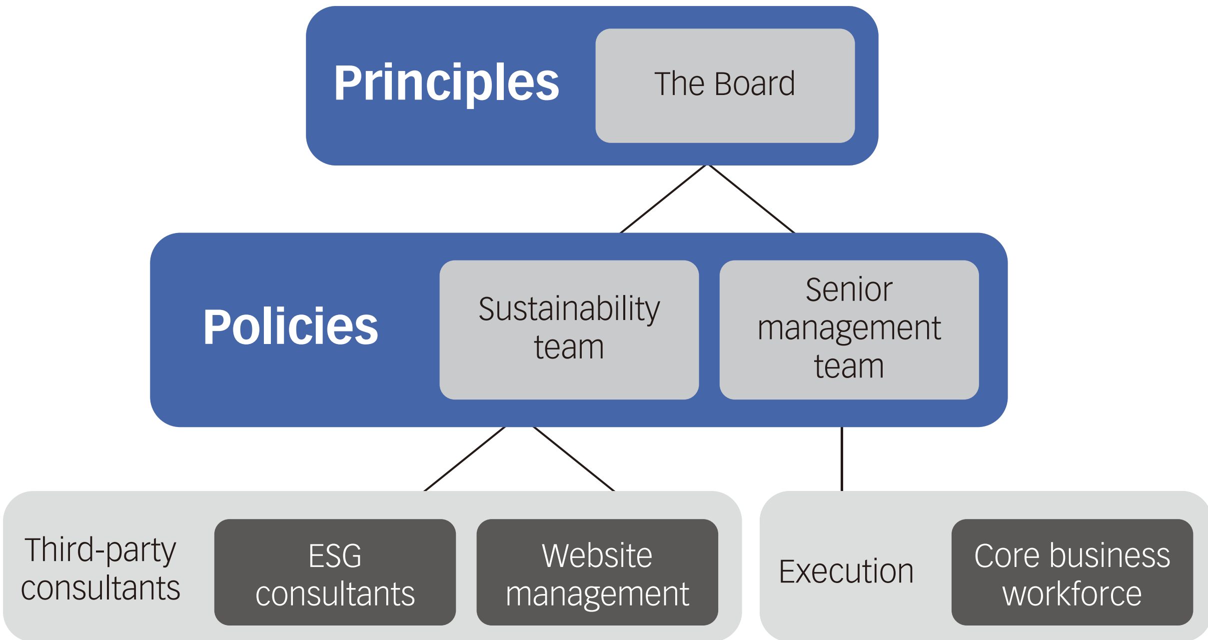
The Report was compiled by the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Listing Rules ("**ESG Reporting Guide**"). It comprises information and data on the material environmental and social issues relevant to the Group's principal business of fitting-out works for the year ended 31 March 2022 (the "**Review Year**") as well as those for the year ended 31 March 2021 (the "**Previous Year**") for comparison purposes. By adopting the latest ESG Reporting Guide, we reviewed and updated relevant information and figures from our operation during the Previous Year. The Report covers our major operational processes such as:

- Ceiling works;
- Metal and glass works;
- Installation of built-in furniture, timber flooring, kitchen cabinetries, and timber doors;
- Surveying and administration.

The Group acts as a project manager and principal coordinator in projects, in which we strategically subcontract on-site labour-intensive works to subcontractors. We are in charge of every stage of a project, from project planning to coordination, monitoring and supervision of project progress and budget, and monitoring rectification of defects during the defects liability period. Due to the nature of our role, energy and resource consumption contributed by our business operation are mainly from office activities and the use of vehicles.

GOVERNANCE STRUCTURE

The Group's ESG Governance Structure:



A Message from the Board

The governance structure of the Group's ESG matters is shown in the chart above. The Board is ultimately responsible for the formation of its ESG principles and monitors the implementation as well as the outcomes of its ESG policies. The Board examines and approves the ESG goals, strategies and policies. The Group's sustainability team is charged with incorporating ESG principles into the Group's operation with the help of outsourced ESG consultants and a website management team and reports directly to the Board. The senior management team of the Company oversees the execution of ESG policies among its core business workforce. The Board periodically reviews the performances of the ESG-related matters and instructs the sustainability team to revisit their strategies when needed.

For the Review Year, at the request of the Board, the Company conducted a comprehensive internal materiality assessment to identify and assess ESG-related concerns and their priorities. The results of this assessment are included in the "Materiality Assessment" section of the Report. The channels the Group uses to communicate with different groups of stakeholders and their major demands are disclosed in the section "Stakeholders Communication" of the Report.

The collection of data and compilation of the Report have been confirmed and approved by the Board and the management team of the Group. We would like to acknowledge our employees and external parties for their assistance in preparing the Report and welcome stakeholders for feedback and suggestions on our approach to achieving sustainable development.

MATERIALITY ASSESSMENT

For the Review Year, the Company conducted a comprehensive internal materiality assessment to identify and assess ESG-related concerns and priorities that were shared by the Group and its stakeholders, in order to develop an effective strategy that targets the most significant impacts of the Group.

Since the Group's principal fitting-out business contributes to environmental pollution, emissions and use of resources are considered the most important to most stakeholders and the Group. Meanwhile, employment practices and protection of employee rights are considered important, especially to the employees and the government and regulatory bodies.

STAKEHOLDERS COMMUNICATION

The Group recognises the importance of communication with various stakeholders to understand their requirements and aspirations in different aspects. Hence, the Group has developed channels that allow stakeholders to share their demands and concerns about its business operation and performances regarding environmental, social and governance aspects. The Group's major stakeholders comprise our shareholders and investors, the government and regulatory bodies, customers, employees, communities, and media. The table below outlines their demands and expectations as well as the communication channels, respectively:

Major stakeholders	Demands and expectations	Communication channels
Shareholders and investors	– Sustainable profitability – A good corporate governance system – Production safety – Prevention of operational risks	– Company announcements – General meetings – Annual reports and interim reports – Company's website
Government and regulatory bodies	– Compliance and operation – Energy reduction – Resources conservation – Lawful and equal employment practices – Protection of employee rights	– Supervision and evaluation – ESG Report – Inspection – Filings
Customers	– High-quality services – Data security – Established communication channels – Quality Control	– Business communication – Customer feedback
Employees	– Lawful and equal employment practices – Protection of employee rights and interests – Improvement in employee remuneration and welfare – Career development	– Staff meetings and activities – Staff training – Recruitment

Major stakeholders	Demands and expectations	Communication channels
Communities	– Higher community involvement – Promoting recruitment	– Communication with communities and the government – Charity activities – Company's website
Media	– Transparent information – Sustainable business maintenance	– Company's website – News monitoring

The Group values opinions and feedback on our ESG Report and our approach to environmental, social and governance work systems and performances. For further questions regarding the Group and the ESG Report, please feel free to make an inquiry to the Group, so as to help the Group improve our ESG-related work.

ENVIRONMENTAL POLICIES AND PERFORMANCES

Our General Environmental Practices and Compliance with Laws and Regulations

The Group prioritises its responsibility in environmental protection and complies with relevant laws and regulations. We are environmentally conscious of every decision made in our business operation, such as project planning, subcontracting work, and purchasing raw materials. During the Review Year, the Group has strictly complied with relevant environmental laws and regulations in all material aspects. The Group is not aware of any non-compliance incidents in relation to the use of natural resources, generation of air pollutants, emission of greenhouse gases, discharge of wastewater, and treatment of hazardous and non-hazardous wastes.

The Group's sustainability team and senior management browse environmental study reports and news to learn about the latest update on climate-related issues and identify those that have impacted or may impact the Group's business operation. As a result of climate changes, the increased rainfall and frequency of extremely hot days in Hong Kong require extra efforts in project planning and more care given to on-site workers. These difficulties have not appeared severe, and the Group has been able to navigate the weather conditions during the Review Year. Nonetheless, climate-related issues affect everyone's life, and it is a problem calling for humanity to work together to tackle. As the Group's principally engaged in the provision of fitting-out services, the Group's most significant impact on the environment and natural resources is energy and fuel use. During the Review Year, the Group targeted to maintain its resource usage and pollution emission intensity at relatively stable levels compared to the Previous Year and reduce them where possible. The steps the Group has taken and their outcomes will be disclosed in the following paragraphs. In an effort to balance business development and environmental protection, the Group's internal guidelines encourage its staff to minimise unnecessary electricity and water consumption and reduce waste at sources by taking up methods such as paper and water recycling. Reminders, including posters and infographics, are put up at the workplace to motivate environmental consciousness amongst our employees.

On project sites, the project management team of the Group is required to supervise subcontractors' compliance with environmental rules governing fitting-out works. Usually, a set of measures are taken on-site, including:

- Noise control – draw up working hours (especially with heavy machinery) to lie within legal hours and use noise reduction tools if applicable

- Use of green building materials – recommend the use of environmentally-friendly materials for walls, windows, doors, carpets, etc. and chemicals with lower levels of pollutants

- Indoor air quality – isolate areas involved in works causing a high concentration of dust and maintain proper ventilation

- Waste reduction and disposal – reuse building tools and instruct appropriate waste disposal, and forbid any form of illegal depositing and dumping of construction waste

- Water consumption reduction on-site – subcontractors are reminded to close all taps after use, even though the water consumption involved in fitting-out work is insignificant

Apart from energy consumption and use of resources, the Group's operation did not produce other significant impacts on natural resources nor generate waste to the environment. The Group will continue to be observant of the aforementioned impacts and strive for the best practices in reducing our environmental footprint.

Greenhouse Gas Reduction and Air Pollution Control

The Group's business operation induces the emission of air pollutants as well as greenhouse gas (GHG) in the forms of carbon dioxide (CO_2), Methane (CH4), and Nitrous oxide (N_2O), both directly and indirectly. The use of vehicles for material transportation is the major contributor to the Group's direct GHG emission and air pollutant generation, while the indirect GHG emission mainly comes from electricity consumption at offices. As our project sites are not solely under our management, limitations in recording all material usage and pollutant emissions prevent us from including project sites in our carbon footprint calculations. The table below demonstrates the Group's GHG emissions and key air pollutants data recorded from our offices and transportation:

	For the year ended 31 March			
	2022		2021	
	Key emissions	**Key emissions intensity (per million dollars of revenue)**	Key emissions	Key emissions intensity (per million dollars of revenue)
Direct GHG emissions (Scope 1) (kg in CO_2 equivalent)	**6,815**	**29.35**	9,762	35.09
Indirect GHG emissions (Scope 2) (kg in CO_2 equivalent)	**10,298**	**44.35**	22,015	79.13
Total GHG emissions (kg in CO_2 equivalent)	**17,113**	**73.70**	31,777	114.22
NO_x (g)	**117**	**0.51**	223	0.80
SO_x (g)	**38**	**0.16**	53	0.19
PM (g)	**9**	**0.04**	16	0.06

During the Review Year, as business activities were lower than usual due to the COVID-19 outbreaks in Hong Kong, the total consumption of energy and usage of vehicles were significantly decreased, resulting in a major drop in total pollutant emissions. In the meantime, the Group focused on optimising its operation management and maximising its energy efficiency, which allowed the Group to achieve lower emission intensity across all major air pollutants and GHGs.

Waste Control

The Group's office operation does not involve hazardous waste, while the non-hazardous waste produced was mainly Municipal Solid Waste ("MSW") from our offices, which was disposed of at our office building and handled by the local municipal management. The non-hazardous waste produced by the Group is insignificant in amount. However, due to the nature of MSW, for the Review Year, there was no record of the actual amount of the non-hazardous wastes produced by the Group. The Group will continue to work on our production efficiency for a green operation.

Environmental, Social and Governance Report

Use of Resources

Due to the Group's business nature, the resources needed for its operation mainly include unleaded petrol for the vehicles, electricity and paper used in the offices. As a fitting-out service provider, the Group does not provide packaging for its end products. The Group's offices use water from the tap of the building they are located in. Since the building does not separate water bills, there was no record of the actual amount of water used. However, due to its nature, the amount should be rather insignificant. The Group did not have difficulties sourcing its resources during the Review Year, including water.

The table below demonstrates the Group's resource usage:

	For the year ended 31 March			
	2022		2021	
	Resources Usage	**Usage intensity (per million dollars of revenue)**	Resources Usage	Usage intensity (per million dollars of revenue)
Unleaded petrol (L)	**2,562**	**11.03**	3,605	12.96
Electricity from CLP (kWh)	**21,346**	**91.93**	37,397	134.42
Paper (kg)	**500**	**2.15**	613	2.20
Total energy consumption (kWh)	**46,175**	**198.86**	72,334	260.95

For the Review Year, the Group's energy consumption mainly included non-renewable fuel of unleaded petrol and energy purchased from CLP Power Hong Kong. As business activities were not as robust during the COVID-19 pandemic, we were able to keep our usage of vehicles at minimum levels. At the same time, as flexible working arrangements were put in place, the electricity and paper consumption in our offices significantly decreased.

HUMAN RESOURCES

Our General Employment Practices and Compliance with Laws and Regulations

In terms of employment practices, the Group follows all legal regulations and has executed a series of internal policies that our human resources department set out to protect the rights and interests of our employees as well as job candidates. First and foremost, the Group strictly follows the Employment Ordinance of Hong Kong. For instance, the employment of forced labour and underaged individuals is forbidden. All employees are required to submit proof of age and qualifications before onboarding. Where applicable, only applicants with required licenses would be considered for certain regulated positions. According to the Group's internal guidelines, if any forced or child labour is discovered in the Group's workforce, the relevant hiring personnel and their supervisors would be held accountable and such illegal labour practices will be terminated immediately.

Detailed categorisation and the number of full-time employees are laid out in the table below:

	For the year ended 31 March	
	2022	2021
By Job Function		
Management	**14**	14
Administration	**13**	13
Supervisors	**22**	20
Others (Janitorial)	**7**	8
By Gender		
Male	**42**	39
Female	**14**	16
By Age Group		
≤30	**5**	8
31–40	**19**	18
41–50	**20**	18
51–60	**12**	11
≥61	**0**	0
By Employment Location		
Hong Kong	**56**	55
Total	**56**	55

The table below sets the employee turnover rate by gender, age group, and geographical region for the Review Year and the Previous Year, respectively:

	For the year ended 31 March	
	2022	2021
By Gender		
Male	**19%**	23%
Female	**7%**	88%
By Age Group		
≤30	**60%**	100%
31–40	**16%**	22%
41–50	**5%**	44%
51–60	**17%**	18%
≥61	**N/A**	N/A
By Employment Location		
Hong Kong	**16%**	36%
Total	**16%**	36%

For the Review Year, the Group's total employee turnover rate was significantly lower than that of the Previous Year. The ones who resigned were supervisors and janitors due to various personal reasons. We implemented a series of measures to retain our senior management and other back-office employees as well as the frontline workers. These measures include attractive remuneration packages, equal promotion opportunities, and sufficient training and safe work environments, which are set out in the sections of the Report to follow.

Equal Opportunities

Our Group respects each employee and treats them on an equal footing. We are firmly against any form of discrimination in terms of age, race, religion, gender, sexual orientation, and physical disabilities. None of these factors is considered before personal merit and professional competence for evaluation for employment, promotion opportunities, or remuneration offering. As a result of fair employment practices, the Group has attained a relatively diverse employee proportion of different age groups ranging from below 30 to 60 for the Review Year. Due to the Group's business nature, significantly more male individuals are interested in joining this industry, which results in the Group having more male than female employees. The Group did not receive any complaints regarding unequal employment or treatment. Relevant training is also provided to cater to the different needs of each group of employees. More about development and training will be explained further in the below section.

Remuneration and Benefits

Following the employment law in Hong Kong, employees of the Group are covered by the Minimum Wage Ordinance (Chapter 608 of the Law of Hong Kong); Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong); and other relevant regulations such as statutory holidays, reasonable working hours, sufficient rest day payroll, and leave to dismissal.

Beyond regulations, we value our employees as the greatest asset of the Group and believe that rewarding them with attractive remuneration packages can boost their motivation at work. Therefore, their salary and benefits are adjusted according to regular performance appraisals. Besides, we provide a friendly working environment and allow sufficient rest days to ensure the balance between work and employees' personal life.

Employee Development and Training

The Group provides support in developing our employees' professional knowledge based on their job nature, especially for those who work on the frontline, as safety knowledge is essential for protecting them against work-related injuries. During the Review Year, training and seminars were organised to ensure our staff is educated and aware of preventive knowledge and protective skills at the construction sites, which included:

- Working under the Very Hot Weather Warning
- Electrical safety
- On-site fire safety
- Use of electrical hand tools
- Work at height safety
- Manual handling operation safety
- Pre and post-work safety
- Personal Protective Equipment (PPE)

The table below shows a breakdown of the number of training session attendances by categories:

	For the year ended 31 March					
	2022			2021		
	Total number of employees trained	**The average training hours completed per employee**	**Percentage of employees trained**	Total number of employees trained	The average training hours completed per employee	Percentage of employees trained
By gender						
Male	**9**	**0.75**	**21%**	12	1.6	31%
Female	**7**	**0.75**	**50%**	7	1.5	44%
By Job function						
Management	**4**	**0.75**	**29%**	2	1.3	14%
Administration	**12**	**0.75**	**92%**	12	1.8	92%
Supervisors	**0**	**0**	**0**	5	1.0	25%
Janitors	**0**	**0**	**0**	0	0	0

OCCUPATIONAL HEALTH AND SAFETY

Most of the Group's full-time employees do not work on the construction sites; as a result, the extent of occupational health and safety risks they are exposed to is not exceptionally high. Still, we focus on risk awareness education and strive to maintain high safety standards in our offices. During the height of Hong Kong's COVID-19 outbreaks, special work schedules were put in place to minimise employees' exposure to risks of infection and safeguard their health. For fitting-out projects, we have established a range of safety policies that are updated from time to time according to the latest laws and regulations and industry guidelines. Before each project starts, our team ensures a safe work foundation and complete legality by validating required licenses and approvals, for example, for scaffolding structures. In the meantime, all on-site workers and subcontractors are covered by insurance for cases of accidents and work-related injuries.

There were no fatalities from occupational accident incidents for the Review Year, the Previous Year, nor the year ended 31 March 2020. The table below summarises the Group's safety data recorded during the Review Year and the Previous Year, respectively:

	For the year ended 31 March			
	2022		2021	
	Number of injuries from occupational accidents	**Number of working days lost due to occupational injuries**	Number of injuries from occupational accidents	Number of working days lost due to occupational injuries
Total	**1**	**0**	1	0

GENERAL OPERATING PRACTICES

Supplier and Subcontractor Management

Due to the nature of the fitting-out industry, it is essential to uphold high standards on the quality of the raw materials and the legitimacy of subcontractors. To mitigate the safety risks and impacts on the environment, our staff is required to follow a range of workflow procedures to monitor the integrity of all subcontracted projects, while material suppliers are added to our approved suppliers' list only after passing our thorough investigation. Both potential and approved suppliers are reviewed and updated from time to time for the best business decision. The criteria of such evaluation cover: (i) price; (ii) product quality; (iii) punctuality in delivery; and (iv) past business relationship, etc. These selecting and reviewing procedures are applied to all of the Group's suppliers and subcontractors. We also observe closely and protect our intellectual property rights while fully respecting those of our suppliers and subcontractors. For the avoidance of over-reliance on a small number of partners, the Group generally maintains relationships with multiple material suppliers, and for subcontractors, we usually offer jobs on a project basis to allow competition.

The table below shows a breakdown of the Group’s suppliers.

	For the year ended 31 March	
By geographic location	**2022**	2021
PRC	2	3
Hong Kong	52	89
Total	54	92

Defects Liability Period

Depending on the terms, our contracts generally include a defects liability period of 12 to 18 months beyond the agreed completion date with rectification provision. During the Review Year, the Group received no significant complaint or claim from customers in the relevant defects liability period and the cost incurred for remedying defective works was not material.

Retention Money

Some of the Group’s fitting-out contracts allow customers to retain part of their payment as retention money; for instance, 50% of the total payment is released upon completion of projects and the remaining is released upon the end of the defects liability period. The Group records such outstanding payments in the books as retention receivables.

Customers’ Information Privacy

Adhering to the Personal Data (Privacy) Ordinance of Hong Kong, all personal data collected by the Group is confidential and for internal use only. Only necessary customer information is collected while it is handled by responsible team members only. The designated person of each project is tasked to keep the information circulation within internal communications, and sharing with outside parties would only occur with permission from the customer. Highly confidential information must be stored properly and encrypted in our electronic system, which we hire anti-virus firewalls and assign information technology talents to protect.

ANTI-CORRUPTION

As a publicly listed company, we value fairness and integrity in our business operation and uphold a high standard of corporate governance. Strictly abiding by the Prevention of Bribery Ordinance in Hong Kong, the Group puts effort into fighting against corruption. During the COVID-19 pandemic, the Group did not hold any specific anti-corruption training sessions for its Directors and employees, but it included anti-corruption protocols in its day-to-day operation, and these protocols are communicated to all of its staff. The responsible committee of the Group oversees compliance with our anti-corruption programme, which is formulated and regularly updated in accordance with relevant and applicable laws and regulations. The committee also monitors internal audits and reviews and ascertains the independence of parties with a conflict of interest. An anonymous whistleblowing channel for unethical behaviour is provided to all employees to encourage effective scrutiny.

During the Review Year, the Group recorded no incidents or reports on bribery, extortion, corruption, fraud, and money laundering.

COMMUNITY INVESTMENT

As our work brings us to many different communities in Hong Kong, we sincerely care and concern for the welfare of the city and the local communities around our project sites and headquarters. Contributing to the community and bringing positive impacts to our industry are at the core of our business practices. During the Review Year, due to COVID-19, we did not participate in community activities as a corporation, but we had called for our employees and senior management team members to join volunteer works and contribute to charity organisations as much as possible.

Directors' Report

The Board is pleased to submit this annual report together with the audited financial statements of the Group for the Review Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company, the principal activities of its principal subsidiaries are set out in note 14 to the consolidated financial statements.

RESULTS/BUSINESS REVIEW

The results of the Group for the Review Year are set out in the section headed "Consolidated Statement of Profit or Loss and Other Comprehensive Income" on page 54 in this report. The business review of the Group for the Review Year is set out in the section headed "Management Discussion and Analysis" on pages 6 to 11 in this report.

SHARE CAPITAL

Details of movement in the share capital of the Company during the Review Year are set out in note 27 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the Review Year are set out in the section headed "Consolidated Statement of Changes in Equity" on page 56 in this report.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2022, calculated under the Companies Law of Cayman Islands amounted to approximately HK$82.5 million.

FINAL DIVIDEND

The Board has reserved not to recommend the declaration of a final dividend for the Review Year (FY2021: nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the Review Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

PROPERTY, PLANT AND EQUIPMENT

Details of movement in property, plant and equipment of the Group during the Review Year are set out in note 15 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Restated Articles or the Laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CORPORATE GOVERNANCE

Information on the corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 17 to 28 in this report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Our Group makes best effort in protecting the environment during daily operation and by making conscious decisions when undertaking projects. Our Group's internal guidelines detail the reuse and recycling of resources such as paper and the minimisation of electricity and water consumption as means of environmental protection. Externally, waste generated by works done on site is usually not material. Our Group's project management team would select and thereafter supervise subcontractors' compliance with fitting-out works rules for each project in several aspects including but not limited to (i) noise control; (ii) use of green building materials; (iii) indoor air quality; and (iv) waste reduction and disposal.

During the Review Year, as far as the Board and the management are aware, there was no material breach of or non-compliance with relevant environmental laws and regulations by our Group that has material impact on the business and operation of our Group.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Review Year, as far as the Board and the management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by our Group that has material impact on the business and operation of our Group.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND SUB-CONTRACTORS

Employees

We generally recruit employees with the appropriate skills, both technical and personal, in order to meet our current and future needs and ensure that the employees appointed are qualified and competent to carry out their duties. We may remunerate our employees with a fixed salary and a discretionary bonus based on our Group's performance. Our employees' benefits also include a grant to fund further education which aims at enhancing our employees' personal development or equipping them with necessary knowledge and skills to perform their job duties. Our ability to attract, retain and motivate qualified personnel is critical to our success. We believe that we are able to attract, retain and motivate qualified personnel by offering competitive remuneration and benefits. With a compact team of energetic employees, we endeavour to provide services that exceed our customers' expectations, which we believe will help us secure new opportunities.

Customers

The Group are aware of the risk of customer concentration, and sought to reduce the reliance on major customer by undertaking more work projects from other customers. Our business relationship with major customers, industry experience and proven track record are essential to our major customers to ensure that we are capable of completing their projects on time and in accordance with their requirements. With our presence in the fitting-out industry, our Directors believe that we are able to extend our services to other customers.

Going forward, our management will continue to capture emerging business opportunities and focus on projects on a selective and prudent basis which are profitable and sizeable in nature to maximise benefits to our Group as a whole.

Suppliers and Sub-contractors

The Group has developed stable and strong working relationships with suppliers and sub-contractors to meet the Group's customers' needs in an effective and efficient manner. Our fitting-out projects are monitored by a project management team which is responsible for the overall quality assurance of the project. Our project management team in each project generally conducts regular on-site inspections and arranges for regular meetings with our subcontractors, to ensure sufficient resources are allocated for each project, and that the works executed at each stage meet the requirements of our customers.

ANNUAL GENERAL MEETING ("AGM")

The 2022 AGM will be held at Unit 1203B, 12/F, World-Wide House, 18 Des Voeux Road, Central, Hong Kong on Friday, 26 August 2022. The notice of the AGM will be published and despatched to shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Tuesday, 23 August 2022 to Friday, 26 August 2022, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, not later than 4:30 p.m. on Monday, 22 August 2022.

Directors' Report

DIRECTORS

The Directors during the Review Year and up to the date of this report are:

Executive Directors:

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

Independent Non-Executive Directors:

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

In accordance with article 84 of the Restated Articles, at each annual general meeting, one third of the Directors for the time being will retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors who shall retire in each year will be those who have been longest in the office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

In accordance with article 83 of the Restated Articles, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with article 84 of the Restated Articles, Mr. Ho Chi Hong and Dr. Lo Ki Chiu will retire as Directors by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to the Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

Details of Director's service contracts are set out in the section headed "Biographical Details of the Directors and Senior Management" on page 12 to 16 in this report.

None of the Directors being proposed for re-election at the forthcoming AGM has a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

COMPETING INTERESTS

Neither the Directors, the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the Review Year, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

NON-COMPETITION UNDERTAKING

Each of the controlling shareholders and the executive Directors has made an annual declaration to the Company that he/she/it has complied with the terms of non-competition undertakings ("**Non-Competition Undertakings**") given in favour of the Company. The independent non-executive Directors have also reviewed the status of compliance by each of the controlling shareholders and executive Directors with the undertakings stipulated in the Non-Competition Undertakings and have confirmed that, as far as the independent non-executive Directors can ascertain, there is no breach of any of such undertakings.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements in this report and the Prospectus, is set out on page 102 in this report.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance coverage for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising from corporate activities.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

No Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Review Year.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as otherwise disclosed, no contract of significance to which the Company, its holding companies, or any of its subsidiaries was a party, and in which the controlling shareholders of the Company had a material interest, either directly or indirectly, subsisted or at any time during the Review Year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Review Year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management of the Group are set out in the section headed "Biographical Details of the Directors and Senior Management" on pages 12 to 16 in this report.

EMOLUMENT POLICY FOR DIRECTORS

The Remuneration Committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group.

The Remuneration Committee recommends Directors' remuneration to the Board by reference to the benchmarking of the market. The Company also looks into individual Director's competence, duties, responsibilities, performance and the results of the Group in determining the exact level of remuneration for each Director.

DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' and chief executives' emoluments and the five highest paid individuals are set in note 12 and 13 to the consolidated financial statements.

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

As at 31 March 2022, the interests and short positions of the Directors or chief executive 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 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, notified to the Company and the Stock Exchange, were as follows:

Long Position in Our Shares

Name of Director	Capacity/Nature of interest	Number of Shares held(1)	Percentage of shareholding
Mr. Man Hoi Yuen(2)	Interest in a controlled corporation	360,000,000 (L)	75%
Ms. Ng Yuen Chun(3)	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 chairman of our Board), 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.

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[1]	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 31 March 2022, none of the Directors 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 31 March 2022, 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 fell 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 Shareholder	Capacity/Nature of interest	Number of Shares held[1]	Percentage of shareholding
Hoi Lang Holdings Ltd.[2]	Beneficial owner	360,000,000 (L)	75%

Notes:

(1) The letter "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 31 March 2022, 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.

Directors' Report

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "**Share Option Scheme**") on 6 December 2018. The principal terms of the Share Option Scheme are summarised in Appendix IV to the Prospectus. The purposes of the Share Option Scheme are to 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 Shares 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 31 March 2022.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

At no time during the Review Year and up to the date of this report was the Company or any of its subsidiaries or a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any body corporate.

MAJOR SUPPLIERS AND CUSTOMERS

The percentage of sales and purchases for the Review Year attributable to the Group' major customers and suppliers are as follow:

Sales

– the largest customer	86.0% (FY2021: 66.0%)
– five largest customers	98.9% (FY2021: 98.1%)

Purchases

– the largest supplier	33.1% (FY2021: 31.8%)
– five largest suppliers	69.9% (FY2021: 73.0%)

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the major customers or suppliers noted above.

RELATED PARTIES TRANSACTIONS

Details of the significant related party transactions undertaken in the normal course of business are set out in note 32 to the consolidated financial statements. One related parties transaction constituted exempted continuing connected transactions as a de minimis transaction under Rule 14A.76(1)(c) of the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

SUBSIDIARIES

Details of the subsidiaries of the Company are set out in note 14 to the consolidated financial statements.

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 Review Year and up to the date of this report.

RETIREMENT SCHEME

The Group participates in the mandatory provident fund prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). Save as the aforesaid, the Group did not participate in any other pension schemes during the Review Year.

AUDITORS

The consolidated financial statement for the Review Year have been audited by Grant Thornton Hong Kong Limited, who will retire and, being eligible, offer itself for re-appointment at the forthcoming AGM. There has been no change in the auditor of the Company during the Review Year.

DONATIONS

Charitable and other donations made by the Group during the Review Year amounted to approximately HK$10,000 (FY2021: HK$67,000).

EVENTS AFTER THE REVIEW YEAR

Save as disclosed in note 35 to the consolidated financial statements set out in this report, the Group did not have any other material subsequent events occurring after 31 March 2022 and up to the date of this report.

On behalf of the Board
Man Hoi Yuen
Chairman and executive Director

Hong Kong, 29 June 2022

Independent Auditor's Report

GrantThornton
致同

To the members of Yield Go Holdings Ltd.
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Yield Go Holdings Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages 54 to 101, which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current year. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	How the matter was addressed in our audit
Accounting for construction contracts	
(notes 2.7, 2.11, 4, 5 and 18 to the consolidated financial statements)	
We identified the revenue and costs from construction contracts amounting to approximately HK\$232,203,000 and HK\$222,313,000, respectively in the consolidated statement of profit or loss and other comprehensive income and related contract assets of approximately HK\$155,667,000 and contract liabilities of approximately HK\$485,000 in the consolidated statement of financial position as key audit matter due to significant management judgements and estimation required in determining the percentage of completion of contract revenue and corresponding profit/loss margin incurred.	Our audit procedures in relation to the construction contracts included the following: • Understood and discussed with management the basis of estimation of budgets and the determination of the respective percentage of completion, and inspected, on a sample basis, the contract sum and key terms/conditions to respective signed contracts and budgets prepared by the management; • Assessed the reasonableness of key judgements inherent in the budgets by evaluating and recalculating the percentage of completion based on the latest budgeted costs and the actual costs incurred; • Tested, on a sample basis, the actual cost incurred to supporting documents including but not limited to the payment certificates and invoices; • Obtained, on a sample basis, the progress certificates issued by the customers, their appointed surveyors or other representatives to evaluate the reasonableness of the percentage of completion as at year end and discussed with management or the respective project managers on the progress of the project and actual costs incurred for works performed but not certified; and • Recalculated and evaluated the management's assessment on the estimated gross profit/loss margin and, compared to the latest budgeted and the actual gross profit/loss margin.

Independent Auditor's Report

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information included in the 2022 annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagements and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

29 June 2022

Chi-Kit Shaw
Practising Certificate No.: P04834

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
Revenue	5	**232,203**	278,182
Direct costs		**(222,313)**	(306,323)
Gross profit/(loss)		**9,890**	(28,141)
Other gains	6	**158**	11,836
Administrative and other operating expenses		**(12,642)**	(14,546)
Finance costs	7	**(1,432)**	(1,703)
Loss before income tax	8	**(4,026)**	(32,554)
Income tax credit	9	**6**	39
Loss and total comprehensive expense for the year attributable to equity holders of the Company		**(4,020)**	(32,515)
		HK cents	HK cents
Loss per share attributable to equity holders of the Company			
– Basic and diluted	11	**(0.84)**	(6.77)

The notes on pages 58 to 101 form an integral part of these consolidated financial statements. Details of dividend are disclosed in note 10 to the consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	**386**	584
Right-of-use assets	16	**912**	1,751
Deferred tax assets	26	**–**	4
		1,298	2,339
Current assets			
Trade and other receivables	17	**30,208**	26,994
Contract assets	18	**155,667**	154,556
Cash and bank balances	19	**17,616**	23,548
Restricted cash	20	**3,046**	3,046
Tax recoverable		**11**	66
		206,548	208,210
Current liabilities			
Trade and other payables	21	**29,823**	26,191
Contract liabilities	18	**485**	498
Bank borrowings	24	**43,471**	43,485
Amount due to a director	22	**1,285**	2,750
Lease liabilities	23	**893**	918
		75,957	73,842
Net current assets		**130,591**	134,368
Total assets less current liabilities		**131,889**	136,707
Non-current liability			
Lease liabilities	23	**44**	842
Net assets		**131,845**	135,865
CAPITAL AND RESERVES			
Share capital	27	**4,800**	4,800
Reserves	28	**127,045**	131,065
Total equity		**131,845**	135,865

Mr. Man Hoi Yuen
Director

Mr. Ho Chi Hong
Director

The notes on pages 58 to 101 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2022

	Share capital HK$'000 *(note 27)*	Share premium* HK$'000 *(note 28)*	Other reserve* HK$'000 *(note 28)*	Retained earnings* HK$'000	Total HK$'000
Balance as at 1 April 2020	4,800	105,059	200	58,321	168,380
Loss and total comprehensive expense for the year	–	–	–	(32,515)	(32,515)
Balance as at 31 March 2021 and 1 April 2021	**4,800**	**105,059**	**200**	**25,806**	**135,865**
Loss and total comprehensive expense for the year	**–**	**–**	**–**	**(4,020)**	**(4,020)**
Balance as at 31 March 2022	**4,800**	**105,059**	**200**	**21,786**	**131,845**

* These reserve accounts comprise the consolidated reserves of approximately HK$127,045,000 (2021: approximately HK$131,065,000) in the consolidated statement of financial position.

The notes on pages 58 to 101 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
Cash flows from operating activities			
Loss before income tax		**(4,026)**	(32,554)
Adjustments for:			
Depreciation of owned property, plant and equipment		**198**	1,071
Depreciation of right-of-use assets		**940**	1,470
Written off of retention receivable		**307**	–
Interest income		**(1)**	(1)
Interest expense	7	**1,432**	1,703
Provision/(Reversal) for expected credit losses ("**ECL**") allowance on trade and other receivables – net		**7**	(209)
(Reversal)/Provision for ECL allowance on contract assets – net		**(10)**	19
Operating loss before changes in working capital		**(1,153)**	(28,501)
Decrease in trade and other receivables		**84,308**	142,835
Increase in contract assets		**(88,937)**	(73,128)
Increase/(Decrease) in trade and other payables		**3,632**	(24,802)
Decrease in contract liabilities		**(13)**	(15,156)
Cash (used in)/generated from operations		**(2,163)**	1,248
Income tax refund		**65**	1,837
Net cash (used in)/generated from operating activities		**(2,098)**	3,085
Cash flows from investing activity			
Interest received		**1**	1
Cash flows from financing activities			
Interest paid		**(1,432)**	(1,703)
Payment of lease liabilities		**(924)**	(1,493)
Proceeds from bank borrowings		**174,371**	108,406
Repayments of bank borrowings		**(174,385)**	(108,165)
Decrease in amount due to a director		**(1,465)**	(1,850)
Net cash used in financing activities		**(3,835)**	(4,805)
Net decrease in cash and cash equivalents		**(5,932)**	(1,719)
Cash and cash equivalents at beginning of the year		**23,548**	25,267
Cash and cash equivalents at end of the year	19	**17,616**	23,548

The notes on pages 58 to 101 form an integral part of these consolidated financial statements.

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 3, 32/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong.

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

As at 31 March 2022, 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**").

The consolidated financial statements for the year ended 31 March 2022 were approved for issue by the Board of Directors on 29 June 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

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

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

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on sales of intra-group asset are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2.3 Foreign currency translation

The consolidated financial statements are presented in HK$, which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in the profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date).

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK$. Assets and liabilities have been translated into HK$ at the closing rates at the reporting date. Income and expenses have been converted into the HK$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on property, plant and equipment is recognised so as to write off the cost of asset, less their residual values over their estimated useful lives or lease term, using the straight-line method, at the following rates per annum:

Furniture, fixtures and office equipments	20%
Motor vehicle	30%
Leasehold improvement	Over the lease terms

The accounting policy for depreciation of right-of-use assets is set out in note 2.8.

Estimates of residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain or loss arising on retirement or disposals is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in the profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

2.5 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. Financial liabilities are derecognised when it is extinguished, discharged, cancelled or expires.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Financial instruments (Continued)

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15, all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss ("**FVTPL**"), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of profit or loss and other comprehensive income.

Financial assets are classified into the following categories:

– amortised cost;

– FVTPL; or

– fair value through other comprehensive income ("**FVOCI**").

The classification is determined by both:

– the entity's business model for managing the financial asset; and

– the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, other gains or other financial items, except for ECL of trade receivables which is presented within administrative and other operating expenses.

Subsequent measurement of financial assets

Debt investments – Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

– they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

– the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in other gains in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and other receivables, cash and bank balances and restricted cash fall into this category of financial instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Financial instruments (Continued)

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities including bank borrowings, lease liabilities, trade and other payables and amount due to a director.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or other gains.

Accounting policies of lease liabilities are set out in note 2.8.

Bank borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Trade and other payables and amount due to a director

These are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method.

2.6 Impairment of financial assets and contract assets

HKFRS 9's impairment requirements use more forward-looking information to recognise ECL – the "ECL model". Instruments within the scope included loans and other debt-type financial assets measured at amortised cost, trade receivables and contract assets recognised and measured under HKFRS 15.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

– financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("**Stage 1**"); and

– financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("**Stage 2**").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Impairment of financial assets and contract assets (Continued)

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables, retention receivables and contract assets

For trade receivables, retention receivables and contract assets, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, trade receivables, retention receivables and contract assets have been grouped based on shared credit risk characteristics by reference to past default experience, current past due exposure of the debtor and forward-looking information and the days past due. The contract assets relate to unbilled work in progress, and retention receivables have substantially the same risk characteristics as the trade receivables for the same types of contracts.

Other financial assets measured at amortised cost

The Group measures the loss allowance for other financial assets at amortised cost equal to 12-month ECL unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the reporting date with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Impairment of financial assets and contract assets (Continued)

Other financial assets measured at amortised cost (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

– significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

– existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

– an actual or expected significant deterioration in the operating results of the debtor; and

– an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Detailed analysis of the ECL assessment are set out in note 33.2.

2.7 Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 2.6 and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Leases

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

– the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

– the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and

– the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

For contracts that contains a lease component and one or more additional lease, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined and the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Leases (Continued)

Definition of a lease and the Group as a lessee (Continued)

Measurement and recognition of leases as a lessee (Continued)

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

The Group remeasures lease liabilities whenever:

– there are changes in lease term or in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

– the lease payments changes due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 month or less.

On the consolidated statement of financial position, right-of-use assets have been presented in separate line item.

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

2.9 Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.10 Share capital

Ordinary shares are classified as equity. The amount of share capital recognised is determined using the nominal value and any related transaction costs are deducted from the share premium.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Revenue recognition

Revenue arises mainly from the provision of fitting-out works in Hong Kong.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer

2. Identifying the performance obligations

3. Determining the transaction price

4. Allocating the transaction price to the performance obligations

5. Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a product or service to a customer. "Control" refers to the customer's ability to direct the use of and obtain substantially all of the remaining benefits from an asset.

Contract revenue

When control of products and services is transferred over time, revenue is recognised progressively using output method which recognises revenue on the basis of direct measurements of the value to the customer of the promised goods or services transferred to date relative to the remaining goods or services promised under the contract with the customer. The progress towards complete satisfaction of the performance obligations in the contract is determined based on the value of performance completed to date as a percentage of total transaction price to depict the transfer of control of the goods or services to the customer. The Group recognises revenue over time only if it can reasonably measure its progress toward complete satisfaction of the performance obligation. However, if the Group cannot reasonably measure the outcome but expects to recover the costs incurred in satisfying the performance obligation, then it recognises revenue to the extent of the costs incurred.

The values of performance completed to date of each of the individual contracts are determined by the Group based on surveys of the fitting-out works completed by the Group to date as stated on the payment certificates issued by the Group's customers, surveyors or other representatives appointed by the Group's customers. Such payment certificates certifying the value of works carried out to date are issued taken into account of the payment applications submitted by the Group in relation to the actual amounts of works completed by the Group which are prepared based on internal progress reports of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Revenue recognition (Continued)

Contract revenue (Continued)

In cases where the payment certificates do not take place as at the Group's reporting period-end dates or do not exactly cover periods up to the reporting period-end dates, the revenue for the period from the last payment certificates up to the reporting period-end dates is estimated based on the actual amounts of works performed by the Group during such period as indicated by the internal progress reports and the payment applications prepared by the surveyors of the Group and may also be determined with reference to the next payment certificates issued by the Group's customers or other representatives appointed by the Group's customers that takes place subsequent to the reporting period-end dates. If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, a provision is recognised in accordance with HKAS 37.

When control of products is transferred at a point in time, revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the Group transfers control over the products to the customer.

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Incremental cost of obtaining a contract is capitalised if the Group expects to recover those costs, unless the amortisation period for such costs would be one year or less. Costs that will be incurred regardless of whether the contract is obtained are expensed as they are incurred.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Government Grant

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate.

Government grants relating to income is presented in gross under "Other gains" in the consolidated statement of profit or loss and other comprehensive income.

2.13 Dividend

Dividend to the Company's shareholders is recognised as a liability in the Group's and the Company's financial information in the period in which the dividends are declared by the directors in case of interim dividends or approved by the Company's shareholders in case of final dividends.

2.14 Impairment of non-financial assets (other than contract assets)

Property, plant and equipment, right-of-use assets and the Company's investment in a subsidiary are subject for impairment testing. They are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level.

Impairment losses is charged pro rata to the assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of such impairment is credited to profit or loss in the period in which it arises unless that asset is carried at revalued amount, in which case the reversal of impairment loss is accounted for in accordance with the relevant accounting policy for the revalued amount.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Employee benefits

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit plan (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' salaries.

Payments to the MPF Scheme are recognised as expense when employees have rendered service entitling them to the contributions.

The Group's obligations under MPF Scheme are limited to the fixed percentage contributions payable.

There were no contributions forfeited by the Group on behalf of its employees who left the plan prior to vesting fully in such contribution, nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 March 2022 and 2021, no forfeited contributions were available for utilisation by the Group to reduce the existing level of contributions.

Bonus plans

The Group recognises a liability and an expense for bonuses when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of such obligation can be made.

2.16 Borrowing costs

All borrowing costs are expensed when they are incurred.

2.17 Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of past events, and it is probable that an outflow of economic benefit will be required to settle the obligation and the amounts have been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as interest expense.

An onerous contract exists when 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. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of continuing with the contract.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resource will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.19 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Accounting for income taxes (Continued)

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

– income or loss excluding reversals of temporary differences; and

– reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

    (i) the same taxable entity; or

    (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) the party is an entity and if any of the following conditions applies:

- (i) the entity and the Group are members of the same group.
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) the entity and the Group are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2.21 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors, i.e. the chief operating decision maker (the "**CODM**"), for their decisions about resources allocation to the Group's business components and for their review of the performance of those components.

3. ADOPTION OF NEW AND AMENDED HKFRSs

3.1 Amended HKFRSs that are effective for annual period beginning on 1 April 2021

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2021:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

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

3.2 Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 17	Insurance Contracts and related amendments[2]
Amendments to HKFRS 3	Reference to the Conceptual Framework[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to HKAS 8	Definition of Accounting Estimates[2]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[1]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[1]
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020[1]

1 Effective for annual periods beginning on or after 1 January 2022
2 Effective for annual periods beginning on or after 1 January 2023
3 Effective date not yet determined
4 Effective for business combination for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2022

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. These new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.

Contract Revenue

The contract revenue recognised on a project is dependent on management's estimation of the progress of the satisfaction of performance obligations of a contract over time, measured by the value of performance completed to date of the individual contract as a percentage of total transaction price. The Group reviews and revises the estimates of contract revenue, contract costs and variation orders, prepared for each contract as the contract progresses. Budgeted construction costs are prepared by management on the basis of quotations from time to time provided by the major subcontractors, suppliers and vendors involved and the experience of management. Management conducts periodic reviews of the budgeted construction costs and revises the budgeted construction costs as appropriate.

Significant judgement required in estimating the value of performance completed, contract revenue, contract costs and variation orders which may impact on percentage of completion and the corresponding contract revenue and gross profit/loss margin recognised in respective years. In addition, actual outcome in terms of total revenue or costs may be higher or lower than estimation at the end of the reporting period, which would affect the contract revenue and gross profit/loss recognised in future years as an adjustment to the amounts recorded to date. Details of contract revenue are set out in note 5.

Provision for impairment of trade and other receivables and contract assets

The management estimates the amount of loss allowance for ECL on trade and other receivables and contract assets based on the credit risk. The loss allowance amount measured as difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss. The assessment of the credit risk involves high degree of estimation and uncertainty as the directors of the Company estimated the loss rates for debtors by using forward-looking information. When the actual cash flows are less than expected or more than expected, a material impairment loss or a reversal of impairment loss may arise, accordingly. Details of the ECL movement are set out in note 33.2.

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

Items of property, plant and equipment (note 15) and right-of-use assets (note 16) 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. 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 year ended 31 March 2022, no impairment loss was recognised for property, plant and equipment and right-of-use assets (2021: nil).

5. REVENUE

The Group's principal activities are disclosed in note 1 of the consolidated financial statements. Revenue recognised during the years ended 31 March 2022 and 2021 are as follows:

	2022 HK$'000	2021 HK$'000
Revenue from contracts with customers		
By timing of revenue recognition:		
Control transferred over time	**221,539**	278,182
Control transferred at a point in time	**10,664**	–
	232,203	278,182
By type of services:		
Fitting-out services	**221,539**	278,182
Supply of fitting-out materials	**10,664**	–
	232,203	278,182

The CODM has been identified as the board of directors of the Company. The board of directors regards the Group's fitting-out services and supply of fitting-out materials business as a single operating segment and regularly reviews the operating results of the Group as a whole when making decisions about resources to be allocated and assessing its performance. Also, the Group only engages its business in Hong Kong. Therefore, all revenue of the Group is derived from operations carried out in Hong Kong and all non-current assets of the Group are located in Hong Kong. Accordingly, no segment information is presented.

Information about major customers

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

	2022 HK$'000	2021 HK$'000
Customer A[1]	**199,647**	183,572
Customer B[1]	**24,354**	47,013
Customer C	**N/A[2]**	33,836

1 The customer represents a collection of companies within a group.
2 The corresponding revenue did not contribute over 10% of total revenue of the Group.

5. REVENUE (CONTINUED)

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that were unsatisfied (or partially unsatisfied) as at 31 March 2022 and 2021.

	2022 **HK$'000**
Remaining performance obligations expected to be satisfied during the year ending:	
31 March 2023	**162,647**

	2021 HK$'000
Remaining performance obligations expected to be satisfied during the year ending:	
31 March 2022	209,357
31 March 2023	16,258
	225,615

6. OTHER GAINS

	2022 **HK$'000**	2021 HK$'000
Bank interest income	**1**	1
Government grant *(note)*	**–**	11,565
Foreign exchange gains	**15**	50
Reversal of provision for ECL allowance on trade and other receivables – net	**–**	209
Reversal of provision for ECL allowance on contract assets – net	**10**	–
Sundry income	**132**	11
	158	11,836

Note: During the year ended 31 March 2021, the Group recognised subsidies of approximately HK$11,565,000 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

	2022 HK$'000	2021 HK$'000
Interest on bank borrowings	**1,367**	1,652
Finance charges on lease liabilities	**65**	51
	1,432	1,703

8. LOSS BEFORE INCOME TAX

	2022 HK$'000	2021 HK$'000
Loss before income tax is arrived at after (crediting)/charging:		
(a) Staff costs (including directors' remuneration) ***(note (i))***		
Salaries, wages and other benefits *(note (ii))*	**19,430**	27,305
Contributions to defined contribution retirement plans	**752**	1,073
	20,182	28,378
(b) Other items		
Depreciation, included in:		
Direct costs		
– Owned assets	**29**	29
Administrative expenses		
– Owned assets	**169**	1,042
– Right-of-use assets	**940**	1,470
	1,138	2,541
Subcontracting charges (included in direct costs)	**160,126**	212,098
Cost of materials and finished goods	**46,774**	69,625
Auditors' remuneration	**800**	800
Short term lease with lease term less than 12 months in respect of machinery and equipment	**–**	84
Written off of retention receivable	**307**	–
Provision/(Reversal) for ECL allowance on trade and other receivables – net	**7**	(209)
(Reversal)/Provision for ECL allowance on contract assets – net	**(10)**	19

8. LOSS BEFORE INCOME TAX (CONTINUED)

Notes:

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

	2022 HK$'000	2021 HK$'000
Direct costs	13,761	21,736
Administrative expenses	6,421	6,642
	20,182	28,378

(ii) During the year ended 31 March 2022, one director's quarter has been recognised as lease liability and corresponding right-of-use asset. The depreciation and lease payments in respect of the relevant right-of-use asset and lease liability amounted to approximately HK$426,000 and HK$448,000 (2021: HK$444,000 and HK$465,000), respectively.

9. INCOME TAX CREDIT

	2022 HK$'000	2021 HK$'000
Current Tax		
– Hong Kong profits tax		
Current year	–	12
Over provision in respect of prior year	(10)	(82)
	(10)	(70)
Deferred Tax *(note 26)*	4	31
Income tax credit	(6)	(39)

No provision for the Hong Kong profits tax has been made for the year ended 31 March 2022 as the Group incurred loss for tax purpose for the year (2021: HK$12,000).

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 year ended 31 March 2022 and 2021, 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 qualified for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

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%.

For the year ended 31 March 2021, Hong Kong profits tax of Hoi Sing Construction (H.K) Limited ("**Hoi Sing Construction**"), a subsidiary of the Company, was calculated in accordance with the two-tiered profits tax rates regime. Profits tax of other group entities continue to be taxed at the flat rate of 16.5%.

9. INCOME TAX CREDIT (CONTINUED)

Reconciliation between tax expenses and accounting loss at applicable tax rate:

	2022 HK$'000	2021 HK$'000
Loss before income tax	**(4,026)**	(32,554)
Tax on loss before income tax, calculated at the Hong Kong Profits Tax rate of 16.5%	**(664)**	(5,371)
Effect of two-tiered profits tax rates regime	**–**	(11)
Tax effect of non-taxable revenue	**(21)**	(1,917)
Tax effect of non-deductible expenses	**353**	8
Tax effect of tax losses not recognised	**455**	7,174
Utilisation of tax losses previously not recognised	**(141)**	(4)
Tax effect of deductible temporary differences not recognised	**22**	164
Over provision in respect of prior years	**(10)**	(82)
Income tax credit	**(6)**	(39)

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets in respect of the tax losses as the directors of the Company consider that it is uncertain as to the extent that future profits will be available against which tax losses can be utilised in the foreseeable future.

As at 31 March 2022, the Group had unused tax losses of approximately HK$63,235,000 (2021: approximately HK$61,333,000), which are available for offset against future profits that may be carried forward indefinitely and are subject to approval from the Hong Kong Inland Revenue Department.

10. DIVIDEND

The Board did not recommend the payment of dividend for the year ended 31 March 2022 (2021: nil).

11. LOSS PER SHARE

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

	2022	2021
Loss attributable to equity holders of the Company (HK$'000)	**4,020**	32,515
Weighted average number of ordinary shares in issue (in thousands)	**480,000**	480,000
Basic loss per share (HK cents)	**0.84**	6.77

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares in issue during the years ended 31 March 2022 and 2021.

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The remuneration of each director and chief executive, disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, were as follows:

	Fees HK$'000	Salaries, allowances and other benefits in kind HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2022				
Executive Directors				
Mr. Man	**–**	**1,082**	**18**	**1,100**
Mrs. Man	**–**	**390**	**18**	**408**
Mr. Ho	**–**	**845**	**18**	**863**
Independent non-executive directors				
Mr. Chan Ka Yu	**180**	**–**	**–**	**180**
Dr. Lo Ki Chiu	**180**	**–**	**–**	**180**
Mr. Leung Wai Lim	**180**	**–**	**–**	**180**
	540	**2,317**	**54**	**2,911**
Year ended 31 March 2021				
Executive Directors				
Mr. Man	–	1,082	18	1,100
Mrs. Man	–	390	18	408
Mr. Ho	–	885	18	903
Independent non-executive directors				
Mr. Chan Ka Yu	180	–	–	180
Dr. Lo Ki Chiu	180	–	–	180
Mr. Leung Wai Lim	180	–	–	180
	540	2,357	54	2,951

Director's quarter for Mr. Man has been recognised as lease liability and corresponding right-of-use assets as set out in note 8.

During the year ended 31 March 2022, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2021: nil). Neither the chief executive nor any of the directors has waived or agreed to waive any emoluments during the year ended 31 March 2022 (2021: nil).

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

13. FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

Of the five individuals with the highest emoluments, two (2021: two) of them are directors for the year ended 31 March 2022. The emoluments in respect of the remaining three (2021: three) individuals for the years ended 31 March 2022 and 2021 are as follows:

	2022 HK$'000	2021 HK$'000
Salaries, allowances and other benefits in kind	**2,139**	2,128
Retirement scheme contributions	**54**	54
	2,193	2,182

The emoluments of each of the above non-directors, highest paid individuals were below HK$1,000,000. During the year ended 31 March 2022, no emoluments were paid by the Group to the above highest paid individuals as (i) an inducement to join or upon joining the Group or (ii) as compensation for loss of office as a director or management of any members of the Group (2021: nil).

14. SUBSIDIARIES OF THE COMPANY

Particulars of principal subsidiaries at 31 March 2022 and 2021 are as follows:

Name of subsidiary	Legal form, date and place of incorporation/ operations	Particulars of issued and paid up capital	Attributable equity interest 2022	2021	Principal activities
Link Shing Holdings Ltd. ("**Link Shing**")	Limited liability company incorporated on 11 May 2018, BVI	United states dollars ("**US$**") 100	**100% (direct)**	100% (direct)	Investment holding
Happy Town Investments Limited ("**Happy Town**")	Limited liability company incorporated on 3 September 2020, BVI	US$1	**100% (direct)**	100% (direct)	Dormant
Chun Shing Development Co., Limited ("**Chun Shing Development**")	Limited liability company incorporated on 29 January 2015, Hong Kong	HK$1	**100% (indirect)**	100% (indirect)	Provision of fitting-out services and supply of fitting-out materials
Hoi Sing Construction	Limited liability company incorporated on 21 February 2001, Hong Kong	HK$2	**100% (indirect)**	100% (indirect)	Provision of fitting-out services
Hoi Sing Decoration Engineering Company Limited ("**Hoi Sing Decoration**")	Limited liability company incorporated on 21 September 1995, Hong Kong	HK$110,000 (2021: HK$100,000)	**100% (indirect)**	100% (indirect)	Provision of fitting-out services
Milieu Wooden Company Limited ("**Milieu**")	Limited liability company incorporated on 16 December 2010, Hong Kong	HK$100,000	**100% (indirect)**	100% (indirect)	Provision of fitting-out services and supply of fitting-out materials

15. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and office equipments HK$'000	Motor Vehicle HK$'000	Leasehold improvement HK$'000	Total HK$'000
Cost				
As at 1 April 2020	1,653	1,444	1,722	4,819
Written off	(663)	–	–	(663)
As at 31 March 2021	990	1,444	1,722	4,156
Accumulated depreciation				
As at 1 April 2020	871	1,444	849	3,164
Written off	(663)	–	–	(663)
Charge for the year	198	–	873	1,071
As at 31 March 2021	406	1,444	1,722	3,572
Net book value				
As at 31 March 2021	584	–	–	584
Cost				
As at 1 April 2021 and 31 March 2022	**990**	**1,444**	**1,722**	**4,156**
Accumulated depreciation				
As at 1 April 2021	**406**	**1,444**	**1,722**	**3,572**
Charge for the year	**198**	**–**	**–**	**198**
As at 31 March 2022	**604**	**1,444**	**1,722**	**3,770**
Net book value				
As at 31 March 2022	**386**	**–**	**–**	**386**

16. RIGHT-OF-USE ASSETS

	HK$'000
Cost	
As at 1 April 2020	2,875
Lease modification	1,779
Written off	(1,006)
As at 31 March 2021 and 1 April 2021	**3,648**
Lease modification	**101**
Written off	**(821)**
As at 31 March 2022	**2,928**
Accumulated depreciation	
As at 1 April 2020	1,433
Charge for the year	1,470
Written off	(1,006)
As at 31 March 2021 and 1 April 2021	**1,897**
Charge for the year	**940**
Written off	**(821)**
As at 31 March 2022	**2,016**
Net book value	
As at 31 March 2022	**912**
As at 31 March 2021	1,751

As at 31 March 2022 and 2021, included in the carrying amount is the right-of-use assets related to an office premise, a staff quarter and a carpark, which have been depreciated over the lease period of 24 months on a straight line basis.

17. TRADE AND OTHER RECEIVABLES

	2022 HK$'000	2021 HK$'000
Trade receivables	**13,199**	12,063
Less: ECL allowance	**(1)**	(1)
Trade receivables – net *(note (a))*	**13,198**	12,062
Retention receivables *(note (b))*	**14,066**	13,211
Other receivables, deposits and prepayments *(note (c))*	**2,944**	1,721
	30,208	26,994

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes:

(a) Trade receivables – net

The credit period granted to customers are 30 days generally. The ageing analysis of the trade receivables based on invoice date is as follows:

	2022 HK$'000	2021 HK$'000
0–30 days	**13,186**	11,979
31–60 days	**–**	–
61–90 days	**12**	–
Over 90 days	**–**	83
	13,198	12,062

During the year ended 31 March 2022, no additional ECL allowance (2021: reversal of ECL allowance of approximately HK$36,000) were made against the gross amount of trade receivables (note 33.2).

(b) Retention receivables

Retention receivables were not past due as at 31 March 2022, and were due for settlement in accordance with the terms of respective contract (2021: nil).

The Group generally allows 5% to 10% of total contract price of its contracts as retention, which are unsecured, interest-free and recoverable at the completion of the defects liability period of individual contracts which range from 16 months to 18 months from the date of the completion of the respective contract.

The due date for settlement of the Group's retention receivables based on the completion of defects liability period as at 31 March 2022 and 2021 are as follows:

	2022 HK$'000	2021 HK$'000
Due within one year	**14,066**	13,211

During the year ended 31 March 2022, reversal of ECL allowance of approximately HK$9,000 (2021: approximately HK$99,000) were made (note 33.2).

(c) Other receivables, deposits and prepayments

	2022 HK$'000	2021 HK$'000
Other receivables	**1,225**	700
Deposits	**182**	186
Prepayments	**1,560**	842
	2,967	1,728
Less: ECL allowance	**(23)**	(7)
Balance at 31 March	**2,944**	1,721

During the year ended 31 March 2022, additional of ECL allowance of approximately HK$16,000 (2021: reversal of ECL allowance of approximately HK$74,000) were made (note 33.2).

18. CONTRACT ASSETS AND LIABILITIES

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

	2022 HK$'000	2021 HK$'000
Contract assets	**155,711**	154,610
Less: ECL allowance	**(44)**	(54)
Contract assets – net	**155,667**	154,556
Contract liabilities	**(485)**	(498)
	155,182	154,058

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional upon rendering of the billings. The contract liabilities primarily relate to the advanced consideration received from customers, for which revenue is recognised based on the progress of the provision of related services. During the year ended 31 March 2022, reversal of ECL allowance of approximately HK$10,000 (2021: additional provision of ECL allowance of approximately HK$19,000) were made against the gross amounts of contract assets (note 33.2).

As at 31 March 2022, the increase in contract assets is mainly due to decrease in transfer to trade receivables when the rights become unconditional upon rendering of the billings. The decrease in contract liabilities is mainly due to provision of services to the customers and decrease in advance consideration received as a result of decreasing revenue. The following table shows how much of the revenue recognised in the respective reporting period relates to carried-forward contract assets and contract liabilities.

	2022 HK$'000	2021 HK$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**498**	15,654
Transfers from the contract assets recognised at the beginning of the year to trade receivables	**(87,836)**	(112,934)

19. CASH AND BANK BALANCES

	2022 HK$'000	2021 HK$'000
Cash at banks	**17,616**	23,548

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

20. 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.

21. TRADE AND OTHER PAYABLES

	2022 HK$'000	2021 HK$'000
Trade payables *(note (a))*	**19,606**	20,650
Accruals and other payables *(note (b))*	**10,217**	5,541
	29,823	26,191

Notes:

(a) Payment terms granted by suppliers of materials and subcontractors are ranging from 0 to 30 days generally.

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

	2022 HK$'000	2021 HK$'000
0–30 days	**14,643**	11,309
31–60 days	**1,802**	1,711
61–90 days	**1,270**	4,188
Over 90 days	**1,891**	3,442
	19,606	20,650

(b) Accruals and other payables mainly comprise (i) accrued salaries of approximately HK$1,628,000 (2021: HK$1,854,000); (ii) accrued refund in relation to Employment Support Scheme for Construction Sector (Casual Employees) under Anti-epidemic Fund of approximately HK$2,622,000 (2021: HK$2,704,000); (iii) advance from subcontractor of approximately HK$4,759,000 (2021: nil) and (iv) accrued professional fees of approximately HK$837,000 (2021: HK$789,000).

22. AMOUNT DUE TO A DIRECTOR

Name of director	2022 HK$'000	2021 HK$'000
Mr. Man	**1,285**	2,750

The balance is denominated in HK$. The amount due to a director is non-trade nature, unsecured, interest-free and repayable on demand.

23. LEASE LIABILITIES

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

	2022 HK$'000	2021 HK$'000
Total minimum lease payments:		
Within one year	**917**	981
After one year but within two years	**45**	863
	962	1,844
Future finance charges on lease liabilities	**(25)**	(84)
Present value of lease liabilities	**937**	1,760
Present value of minimum lease payments:		
Within one year	**893**	918
After one year but within two years	**44**	842
	937	1,760
Less: Portion due within one year included under current liabilities	**(893)**	(918)
Portion due after one year included under non-current liabilities	**44**	842

Note: As at 31 March 2022, the carrying amounts of the Group's right-of-use assets in relation to an office premise, a staff quarter and a carpark are HK$912,000 (2021: HK$1,751,000) (note 16).

During the year ended 31 March 2022, the Group had three lease agreements comprising one office premise, one staff quarter and one carpark for 2 years with total cash outflows for the leases of HK$989,000 (2021: HK$1,628,000). The Group considered that no extension option or termination option would be exercised at the lease commencement date.

24. BANK BORROWINGS

	2022 HK$'000	2021 HK$'000
Bank borrowings	**43,471**	43,485

All the bank borrowings are analysed as follows:

	2022 HK$'000	2021 HK$'000
Within one year	**39,050**	40,819
Not repayable within one year from the end of the reporting period but contain a repayment on demand clause	**4,421**	2,666
Amount shown under current liabilities	**43,471**	43,485

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 31 March 2022 and 2021, 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 the Special 100% Loan Guarantee under SME Financing Guarantee Scheme.

25. BANKING FACILITIES

As at 31 March 2022, 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;

(iii) Personal guarantees given by Mr. Man and Mrs. Man; and

(iv) Property owned by Hoi Sing Holdings (HK) Limited ("Hoi Sing Holdings"), a related party controlled and owned by Mr. Man and Mrs. Man.

As at 31 March 2021, 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 2022, the Group had unutilised banking facilities for bank borrowings amounting to approximately HK$600,000 (2021: approximately HK$5,715,000).

26. DEFERRED TAX

The movements in deferred tax assets during the years are as follows:

	ECL allowance on trade and other receivables and contract assets HK$
As at 1 April 2020	35
Debited to consolidated statement of profit or loss and other comprehensive income *(note 9)*	(31)
As at 31 March 2021 and 1 April 2021	**4**
Debited to consolidated statement of profit or loss and other comprehensive income *(note 9)*	**(4)**
As at 31 March 2022	**–**

27. SHARE CAPITAL

	Number of ordinary shares	Share capital HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 31 March 2021 and 2022	**1,000,000,000**	**10,000**
Issued and fully paid:		
At 31 March 2021 and 2022	**480,000,000**	**4,800**

28. RESERVES

28.1 Share premium

Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less expenses incurred in connection with the issue of the shares.

28.2 Other reserve

Other reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the reorganisation.

29. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY

	2022 HK$'000	2021 HK$'000
ASSETS AND LIABILITIES		
Non-current asset		
Investment in a subsidiary	**82,391**	1
Current assets		
Prepayments	**305**	275
Amounts due from subsidiaries	**–**	85,196
Cash and bank balances	**492**	186
	797	85,657
Current liabilities		
Accruals	**698**	789
Amount due to a subsidiary	**–**	759
	698	1,548
Net current assets	**99**	84,109
Net assets	**82,490**	84,110
CAPITAL AND RESERVES		
Share capital	**4,800**	4,800
Reserve *(note a)*	**77,690**	79,310
Total equity	**82,490**	84,110

Approved and authorised for issue by the board of directors on 29 June 2022.

Mr. Man Hoi Yuen
Director

Mr. Ho Chi Hong
Director

29. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY (CONTINUED)

Note:

(a)

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
Balance as at 1 April 2020	105,059	(22,479)	82,580
Loss and total comprehensive expense for the year	–	(3,270)	(3,270)
Balance as at 31 March 2021 and 1 April 2021	**105,059**	**(25,749)**	**79,310**
Loss and total comprehensive expense for the year	**–**	**(1,620)**	**(1,620)**
Balance as at 31 March 2022	**105,059**	**(27,369)**	**77,690**

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities from financing activities. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flow will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings HK$'000	Lease liabilities HK$'000	Amount due to a director HK$'000	Total HK$'000
As at 1 April 2020	43,244	1,474	4,600	49,318
Cash flows:				
Proceeds from bank borrowings	108,406	–	–	108,406
Repayments of bank borrowings	(108,165)	–	–	(108,165)
Loan interest expense paid	(1,652)	–	–	(1,652)
Capital element of lease rental paid	–	(1,493)	–	(1,493)
Interest element of lease rental paid	–	(51)	–	(51)
Decrease in amount due to a director	–	–	(1,850)	(1,850)
Non-cash:				
Lease modification	–	1,779	–	1,779
Interest on bank borrowings	1,652	–	–	1,652
Finance charges on lease liabilities	–	51	–	51
As at 31 March 2021 and 1 April 2021	**43,485**	**1,760**	**2,750**	**47,995**
Cash flows:				
Proceeds from bank borrowings	**174,371**	**–**	**–**	**174,371**
Repayments of bank borrowings	**(174,385)**	**–**	**–**	**(174,385)**
Loan interest expense paid	**(1,367)**	**–**	**–**	**(1,367)**
Capital element of lease rental paid	**–**	**(924)**	**–**	**(924)**
Interest element of lease rental paid	**–**	**(65)**	**–**	**(65)**
Decrease in amount due to a director	**–**	**–**	**(1,465)**	**(1,465)**
Non-cash:				
Lease modification	**–**	**101**	**–**	**101**
Interest on bank borrowings	**1,367**	**–**	**–**	**1,367**
Finance charges on lease liabilities	**–**	**65**	**–**	**65**
As at 31 March 2022	**43,471**	**937**	**1,285**	**45,693**

31. CAPITAL COMMITMENTS

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

	2022 **HK$'000**	2021 HK$'000
Property, plant and equipment	**92**	92

32. 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

		Note	**2022** **HK$'000**	2021 HK$'000
Hoi Sing Holdings	Lease payments	(i)	**–**	528

Note:

(i) The lease payments for premise paid to Hoi Sing Holdings are based on the agreements entered into between the parties involved. The related lease agreement expired during the year ended 31 March 2021 and the Group did not renew the lease arrangement.

(b) Key management personnel remuneration

The emoluments of the directors and senior management of the Group, who represent the key management personnel during the years are as follows:

	2022 **HK$'000**	2021 HK$'000
Salaries, fee, allowances and other benefits	**3,540**	3,629
Retirement benefit scheme contributions	**81**	83
	3,621	3,712

(c) Guarantee provided and property secured by related party

Details of guarantee provided and property secured by the related party are disclosed in note 25.

33. FINANCIAL RISK MANAGEMENT

The Group's major financial instruments include trade and other receivables, cash and bank balances, restricted cash, trade and other payables, amount due to a director, lease liabilities and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include currency risk, interest rate risk, liquidity risk and credit risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

33.1 Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

	2022 **HK$'000**	2021 HK$'000
Financial assets		
At amortised cost:		
Trade and other receivables	**28,648**	26,152
Cash and bank balances	**17,616**	23,548
Restricted cash	**3,046**	3,046
	49,310	52,746
Financial liabilities		
At amortised cost:		
Trade and other payables	**29,823**	26,191
Amount due to a director	**1,285**	2,750
Lease liabilities	**937**	1,760
Bank borrowings	**43,471**	43,485
	75,516	74,186

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

33.2 Market risk

(i) Currency risk

The assets and liabilities of each company within the Group are mainly denominated in their respective functional currencies. No sensitivity analysis is presented due to the directors are of the opinion that the volatility of the Group's losses against changes in exchange rates of foreign currencies arising from these assets and liabilities is insignificant.

(ii) Interest rate risk

The Group's interest rate risk arises primarily from short-term interest-bearing bank borrowings which are issued at variable rate and expose the Group to cash flow interest rate risk. The Group currently does not have a formal interest rate hedging policy in relation to cash flow and fair value interest rate risks as the management considers that such risks are insignificant to the Group. The management monitors the Group's exposure on an ongoing basis and will consider hedging the interest rate when the need arise.

The interest rates and terms of repayment of the Group's interest-bearing bank borrowings are disclosed in note 24.

As at 31 March 2022, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's loss before income tax for the year ended 31 March 2022 would have been increased/decreased by approximately HK$435,000 (2021: approximately HK$435,000). The sensitivity analysis has been determined assuming that the change in interest rates had occurred throughout the year end had been applied to the exposure to interest rate risk for variable-rate bank borrowings in existence at each reporting period. The 100 basis points decreased/increased represents management's assessment of a reasonably possible change in those interest rates which have the most impact on the Group over the period until the end of next reporting period.

(iii) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and from its investing activities.

The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position as at 31 March 2022 and 2021 is the carrying amount as disclosed in note 33.1.

The Group uses four categories for those receivables which reflect their credit risk and how the loss allowance provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

33.2 Market risk (Continued)

(iii) Credit risk (Continued)

The following table shows the Group's credit risk grading framework:

Category	Group definition of category	Basis for recognition of ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit impaired (refer to as Stage 1)	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit impaired (refer to as Stage 2)	Lifetime ECL – not credit Impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

Trade receivables, retention receivables and contract assets

The Group applies the simplified approach to providing for ECL prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables, retention receivables and contract assets.

The Group has a concentration of credit risk in respect of trade and retention receivables and contract assets. As at 31 March 2022, there were four customers (2021: three customers) which individually contributed over 10% of the Group's trade and retention receivables and contract assets. The aggregate amounts from these customers amounted to 91.9% (2021: 79.2%) of the Group's trade and retention receivables and contract assets as at 31 March 2022. The Group has set up long-term cooperative relationship with these debtors. In view of the history of business dealings with the debtors and the sound collection history of the receivables due from them, management believes that there is no material credit risk, inherent in the Group's outstanding receivables balance due from these debtors.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

33.2 Market risk (Continued)

(iii) Credit risk (Continued)

Trade receivables, retention receivables and contract assets (Continued)

Based on historical and forward-looking elements (including the potential impact of fifth wave of COVID-19 on the general economic environment) of the Group, the movement in the provision for loss allowance in respect of trade receivables, retention receivables and contract assets during the years ended 31 March 2022 and 2021 were as follows:

	Trade receivables HK$'000	Retention receivables HK$'000	Contract assets HK$'000	Total HK$'000
As at 1 April 2020	37	121	35	193
Provision made for the year	–	–	19	19
Reversal for the year	(36)	(99)	–	(135)
As at 31 March 2021 and 1 April 2021	**1**	**22**	**54**	**77**
Reversal for the year	**–**	**(9)**	**(10)**	**(19)**
As at 31 March 2022	**1**	**13**	**44**	**58**

For the years ended 31 March 2022 and 2021, the provision for, reversal of and written-off of loss allowance were recognised in profit or loss in other gains and administrative and other operating expenses in relation to the impaired trade receivables, retention receivables and contract assets.

Deposits and other receivables

The Group considered the ECL is low based on historical settlement records and past experiences and the counterparties have a strong capacity to meet its contractual cash flow obligations in the near term. During the year ended 31 March 2022, additional provision of ECL allowance of approximately HK$16,000 (2021: reversal of ECL allowance of approximately HK$74,000) were made against the gross amount of deposits and other receivables.

Cash and bank balances and restricted cash

Bank balances were placed at financial institutions that have sound credit rating. The risk of default is low and the Group considers the credit risk to be insignificant.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

33.2 Market risk (Continued)

(iv) Liquidity risk

Liquidity risk refers to the risk in which the Group will not be able to meet its obligations with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade and other payables and accruals and its financing obligations, and also in respect of its cash flow management.

The following table details the remaining contractual maturities at the reporting date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating based on current rates at the reporting date) and the earliest date the Group may be required to pay.

	Within one year or on demand HK$'000	Over one year but within two years HK$'000	Over two years but within five years HK$'000	Total contractual cash flows HK$'000	Carrying amount HK$'000
As at 31 March 2022					
Trade and other payables	**29,823**	**–**	**–**	**29,823**	**29,823**
Amount due to a director	**1,285**	**–**	**–**	**1,285**	**1,285**
Lease liabilities	**917**	**45**	**–**	**962**	**937**
Bank borrowings *(note)*	**43,471**	**–**	**–**	**43,471**	**43,471**
	75,496	**45**	**–**	**75,541**	**75,516**
As at 31 March 2021					
Trade and other payables	26,191	–	–	26,191	26,191
Amount due to a director	2,750	–	–	2,750	2,750
Lease liabilities	981	863	–	1,844	1,760
Bank borrowings *(note)*	43,485	–	–	43,485	43,485
	73,407	863	–	74,270	74,186

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

33.2 Market risk (Continued)

(iv) Liquidity risk (Continued)

Note:

Bank loans with a repayment on demand clause are included in the "Within one year or on demand" time band in the above maturity analysis. Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that the relevant portion of bank loans with a repayment on demand clause will be repaid in accordance with the scheduled repayment dates set out in the loan agreements as follows:

	Aggregate principal and interest cash outflows				
	Within one year HK$'000	Over one year but within two years HK$'000	Over two years but within five years HK$'000	Total HK$'000	Carrying amount HK$'000
As at 31 March 2022	**39,363**	**1,707**	**2,891**	**43,961**	**43,471**
As at 31 March 2021	41,173	2,749	–	43,922	43,485

33.3 Fair value

The directors consider the carrying amounts of the Group's financial assets and financial liabilities are approximate to their fair value because of the immediate or short term maturity of these financial instruments.

34. CAPITAL RISK MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, to support the Group's stability and growth; to earn a margin commensurate with the level of business and market risks in the Group's operations and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as the total interest-bearing liabilities and amount due to a director divided by the total equity.

The gearing ratios of the Group are as follows:

	2022 **HK$'000**	2021 HK$'000
Total debt	**45,693**	47,995
Total equity	**131,845**	135,865
Gearing ratio	**34.7%**	35.3%

35. EVENTS AFTER REPORTING DATE

1. Contingent liabilities

On 11 March 2022, the Company's indirectly wholly-owned subsidiary, Hoi Sing Decoration, received a letter of demand from a sub-contractor for outstanding payments in respect of construction work and subsequent to 31 March 2022, a writ of summons was issued by the sub-contractor against Hoi Sing Decoration for a sum of approximately HK$44.0 million. Hoi Sing Decoration issued a writ of summons against the sub-contractor to claim approximately HK$8.0 million for overpayment of construction work. Up to the date of issue these consolidated financial statements, such legal proceedings are still in process. Based on the information available and advice from the Company's legal counsel, the Board considered that the outcome for the above claims is uncertain. Accordingly, no provision has been made to the consolidated financial statements.

2. Change in parent company

Master Success International Investment Limited, a company incorporated in the BVI, becomes the Company's immediate parent and ultimate holding company from 29 April 2022 as set out in the Company's announcement dated 11 May 2022. Details of the relevant unconditional mandatory offer to remaining shareholders of the Company were set out in the composite document dated 22 June 2022. The mandatory cash offer has not been completed up to the date of issue of these consolidated financial statements.

Save as disclosed above, there was no other significant events relevant to the business or financial performance of the Group that come to the attention of the directors.

Summary of Financial Information

The financial summary of the Group for the last five years is set as follows:

	For the year ended 31 March				
	2022	2021	2020	2019	2018
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**232,203**	278,182	420,302	669,780	560,283
Direct costs	**(222,313)**	(306,323)	(408,902)	(589,352)	(498,849)
Gross profit/(loss)	**9,890**	(28,141)	11,400	80,428	61,434
Other gains	**158**	11,836	46	62	56
Administrative and other operating expenses	**(12,642)**	(14,546)	(17,073)	(32,531)	(12,912)
Finance costs	**(1,432)**	(1,703)	(2,230)	(1,828)	(1,657)
(Losses)/Profit before income tax	**(4,026)**	(32,554)	(7,857)	46,131	46,921
Income tax credit/(expense)	**6**	39	(105)	(10,168)	(8,327)
(Loss)/Profit and total comprehensive (expense)/income for the year attributable to equity holders of the Company	**(4,020)**	(32,515)	(7,962)	35,963	38,594
(Loss)/Earnings per share attributable to equity holders of the Company:					
– Basic and diluted	**(HK0.84 cents)**	(HK6.77 cents)	(HK1.66 cents)	HK9.22 cents	HK10.72 cents

	As at 31 March				
	2022	2021	2020	2019	2018
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and liabilities					
Non-current assets	**1,298**	2,339	3,132	186	262
Current assets	**206,548**	208,210	281,213	339,868	160,345
Non-current liabilities	**(44)**	(842)	(43)	–	–
Current liabilities	**(75,957)**	(73,842)	(115,922)	(125,312)	(91,583)
Total equity	**131,845**	135,865	168,380	214,742	69,024