Yield Go Holdings Ltd.
耀高控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code : 1796

2021

Annual Report

CONTENTS

2–3	Corporate Information
4–5	Chairman's Statement
6–12	Management Discussion and Analysis
13–17	Biographical Details of the Directors and Senior Management
18–29	Corporate Governance Report
30–38	Environmental, Social and Governance Report
39–48	Directors' Report
49–53	Independent Auditor's Report
54	Consolidated Statement of Profit or Loss and Other Comprehensive Income
55	Consolidated Statement of Financial Position
56	Consolidated Statement of Changes in Equity
57	Consolidated Statement of Cash Flows
58–103	Notes to the Consolidated Financial Statements
104	Summary of Financial Information

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
Level 12
28 Hennessy Road
Wanchai
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 2021 (the "**Review Year**") to all the shareholders.

2020 has been a tough year of unprecedented challenges for most enterprises from Hong Kong to China and the globe. The year-long novel coronavirus ("**COVID-19**") crisis has taken a toll on the already weakening economy, where the four key industries in Hong Kong remained in doldrums under pessimistic business sentiments amid such an uncertain and turbulent situation. While a slight improvement was seen in Hong Kong's overall economy in the third quarter, it trended downwards as the fourth wave of the COVID-19 outbreak hit. Given the local volatile epidemic situation, although the economic condition has been improved by the end of the year, Hong Kong's economy suffered the biggest annual contraction in 2020 on record, shrinking 6.1% as COVID-19 hammered various industries.

Although Hong Kong's property market remained strong amid waves of the COVID-19 outbreaks, the construction industry was heavily disrupted in delays and cost overruns due to the local precautionary measures and supply chain disruption from the lockdown in China. Under the pessimistic business sentiment and the COVID-19 prevention control, the fitting-out works market in 2020 ended with weak performance. Even until the third quarter of 2020, employment in the construction sector continued to record a sharp fall. The decrease in the unemployment rate of the decoration, repair and maintenance for buildings sector was only seen in the first quarter of 2021.

Our Group is an established fitting-out contractor in Hong Kong with over 25 years of experience since the establishment of our principal operating subsidiaries, Hoi Sing Decoration Engineering Company Limited ("**Hoi Sing Decoration**"), in 1995. We supervise project management and implementation, whereas on-site labour-incentive works are outsourced to our trusted subcontractors who have been working with us for years. Hong Kong's fitting-out sector has already been in a downtrend since 2019, then the COVID-19 pandemic in 2020 has only pushed the whole construction industry to a worse situation. Thus, it's not surprising that the Group's annual performance for the Review Year was affected as the market has been very competitive in tendering new fitting-out projects.

For the Review Year, the Group's total revenue amounted to approximately HK$278.2 million, representing a decrease of approximately 33.8% as compared to that of the year ended 31 March 2020 (the "**FY2020**"). Loss attributable to equity holders of the Company for the Review Year was approximately HK$32.5 million. Such loss was mainly attributable to the gross loss recorded from a project undertaken by the Group at Tuen Mun during the Review Year, which had been prolonged and delayed under the COVID-19 pandemic, due to unexpected additional costs incurred.

With signs of economic recovery since the second half of 2020, Hong Kong economy finally significantly rebounded from the trough with 7.8% of real GDP growth in the first quarter of 2021 over a year earlier, ending the six-quarter streak of decline with the fastest growth in a decade. Looking forward, fuelled by the government investment and residential and commercial needs in the community, Hong Kong's construction industry is secured by a series of promising infrastructure projects. We hope the planned construction works will be ramped to meet closer to the tight schedule as the fourth wave of COVID-19 outbreaks receded.

Chairman's Statement

However, despite the fact that Hong Kong has the epidemic under control, our Group still expects that the current fierce industry competition will remain in the future due to a large number of players in Hong Kong's fitting-out works market. We will continue to solidify our market position in the fitting-out works industry, in order to enhance our competitiveness to bid for more projects. Although we foresee the ongoing issues of rising raw material price and ageing workforce in the industry will continue in the coming year, we hope the new full-time construction programmes offered by Hong Kong Institute of Construction in the 2021/22 academic year as well as its new part-time programmes starting from the 2022/23 would ease Hong Kong's ageing construction workforce issue and nurture more skilful construction workers in the long run.

Our Group faced difficulty in the Review Year under the COVID-19 pandemic. We witnessed a significant downward pricing pressure with lower profit margin in fitting-out projects, and therefore our Group's financial results were inevitably affected. Looking forward, with sign of economic recovery since the second half of 2020, Hong Kong construction industry would be secured by a series of infrastructure projects fuelled by the government investment and the continuous development for residential units and commercial buildings in Hong Kong. We would stay mindful of our operational performances by undertaking more projects and improving cost efficiencies in the coming year.

Man Hoi Yuen
Chairman and Executive Director

Management Discussion and Analysis

INDUSTRY OVERVIEW

Throughout the Review Year, the Group's business was overshadowed by the COVID-19 pandemic. Many countries imposed stringent restrictions in reacting to millions of cases of illness and death caused by the COVID-19 pandemic. Due to the scale and severity of the COVID-19 pandemic, many industries were heavily disrupted and the market conditions after the 2019 economic slowdown further deteriorated, and hence global economy plunged into its worst recession since the financial crisis in 2009. By the end of 2020, the International Monetary Fund estimated a steep fall of 4.4% contraction in the global economy.

COVID-19 pandemic in Hong Kong pushed the economic slowdown to its recession in 2020. Although the Hong Kong government did not impose a full lockdown on the city, precautionary measures in fighting waves of COVID-19 outbreaks within the local community were put in place. During the Review Year, construction industry was one of the most suffered ones in Hong Kong. Construction industry faced challenges of project delay caused by temporary suspension of work on site when the COVID-19 confirmed cases were linked to on-site workers. Apart from project delay, supply chain disruption caused by the lockdown in China and elsewhere pressured construction projects into cost overruns. According to the Census and Statistic Department, the total gross value of construction works performed by main contractors in Hong Kong decreased by approximately HK$6.5 billion or 2.8% from HK$236.4 billion in 2019 to HK$229.9 billion in 2020. By sector, whilst the gross value of public construction works in Hong Kong increased in 2020, the gross value of private construction works in Hong Kong decreased by approximately 16.6% to approximately HK$61.1 billion, hitting the lowest since 2014. Given the pressing demand for residential and commercial building development in Hong Kong, the aforesaid decrease reflected a weak industry performance caused by the year-long pandemic.

BUSINESS REVIEW AND OUTLOOK

The Group is an established fitting-out contractor in Hong Kong, with over 25 years of experience since the establishment of one of its principal operating subsidiaries, Hoi Sing Decoration Engineering Company Limited ("**Hoi Sing Decoration**") in 1995. The Group's fitting-out services 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 are registered subcontractors under the Registered Specialist Trade Contractors Scheme of the Construction Industry Council. Their services are mainly offered to residential and commercial properties in Hong Kong on a project basis.

The Group's sources of revenue are categorised as residential and non-residential fitting- out services. During the Review Year, the Group's revenue decreased by approximately HK$142.1 million or 33.8% to approximately HK$278.2 million (FY2020: approximately HK$420.3 million). Such decrease was primarily attributable to (i) the decrease in number of sizeable projects available within the market during the Review Year; and (ii) the adoption of a more competitive tender 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.

Entering the second year of the COVID-19 pandemic, businesses around the world were adjusted to a "new normal" and have been implementing new ways of working arrangements. Despite the fact that business activities remain below pre-recession levels, Hong Kong recorded 7.8% year-on-year economic growth in the first quarter of 2021, which demonstrated a significant rebound from the 18-month recession under the COVID-19 pandemic.

Management Discussion and Analysis

Regarding Hong Kong construction industry, the government aims to lead the industry from the bottlenecks and promote "Construction 2.0", which includes, among other things, the new 2021/22 diploma programmes at Hong Kong Institute of Construction and the planned infrastructure development in housing, new town, and land development. Whilst the estimated expenditure of public works in the coming few years shall exceed HK$100 billion each year, the total volume of construction including public and private sectors will exceed HK$300 billion each year. Supported by a recovery in global economic conditions and the Hong Kong government's investment in infrastructure projects, the Group believes the continuous development for residential units and commercial buildings in Hong Kong will in turn bring the fitting-out works market back to a somewhat stable state. The Group will continue to seize favourable opportunities and strive to maintain a strong market position by strengthening its competitiveness amongst the fitting-out works industry.

FINANCIAL REVIEW

Revenue

During the Review Year, the Group's revenue decreased by approximately HK$142.1 million or 33.8% to approximately HK$278.2 million (FY2020: approximately HK$420.3 million). Such decrease was primarily due to (i) the decrease in number of sizeable projects available within the market during the Review Year; 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 (loss)/profit and gross (loss)/profit margin

During the Review Year, the Group's gross profit decreased by approximately HK$39.5 million to gross loss of approximately HK$28.1 million (FY2020: gross profit of the Group of approximately HK$11.4 million). Such decrease was attributable to the decrease in the revenue as discussed above and the gross loss recorded from a project undertaken by the Group at Tuen Mun during the Review Year, which had been prolonged and delayed under the COVID-19 pandemic, due to unexpected additional costs incurred.

Other gains – net

During the Review Year, the Group recorded a net other gains of approximately HK$11.8 million (FY2020: approximately HK$46,000). Such increase was primarily due to the subsidies from government grant in relation to Employment Support Scheme for Regular Employees and Construction Sector (Casual Employees) under Anti-epidemic Fund during the Review Year.

Administrative and other operating expenses

During the Review Year, the Group's administrative and other operating expenses decreased by approximately HK$2.6 million or 15.2% to approximately HK$14.5 million (FY2020: approximately HK$17.1 million). Such decrease was primarily due to the decrease in staff cost, professional fees and entertainment expenses incurred during the Review Year.

Finance costs

During the Review Year, the Group's finance costs decreased by approximately HK$0.5 million or 22.7% to approximately HK$1.7 million (FY2020: approximately HK$2.2 million). Such decrease was primarily due to the decrease in interest on bank borrowings during the Review Year.

Income tax (credit)/expense

During the Review Year, the Group's income tax expense decreased by approximately HK$144,000 to income tax credit of approximately HK$39,000 (FY2020: income tax expense of the Group of approximately HK$105,000). Such decrease was primarily due to the decrease in revenue and gross profit 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 increased by approximately HK$24.5 million to approximately HK$32.5 million (FY2020: approximately HK$8.0 million). Such increase was primarily due to the decrease in revenue and gross profit during the Review Year as discussed above.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Review Year, there was no change in capital structure of the Group. The capital of the Company comprises only ordinary shares. As at 31 March 2021, 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 2021, the Group had total cash and bank balances and restricted cash of approximately HK$26.6 million (FY2020: approximately HK$28.3 million). Such decrease was due to the net effect of net cash generated from operating and investing activities and financing activities of approximately HK$1.7 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, increased from approximately 29.3% as at 31 March 2020 to approximately 35.3% as at 31 March 2021. The increase was primarily due to decrease in total equity resulted from net loss incurred during the Review Year.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards it 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.

Management Discussion and Analysis

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 relationship 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 environment 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 in compliance with all applicable statutory requirements.

Uncertainties in Work Progress

We rely on the due and timely performance of our subcontractors for timely delivery of our works. If our subcontractors' performance are not up to standard, we may not be able to rectify the substandard works 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 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.

PLEDGE OF ASSETS

As at the date of this report, the Group's bank borrowings were secured by (i) corporate guarantee granted by the Company; (ii) proceeds in relation to all account receivable of one of the subsidiaries of the Company; and (iii) personal guarantees given by Mr. Man 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**")).

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:

	2021 HK$'000	2020 HK$'000
Property, plant and equipment	**92**	184

Save as disclosed above, the Group had no material contingent liabilities as at 31 March 2021 (31 March 2020: 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

Save as disclosed in the section headed "Future plans and use of proceeds" in the prospectus of the Company dated 13 December 2018 (the "**Prospectus**") and the announcement of change in use of proceeds dated 24 June 2020 (the "**UOP Announcement**"), the Group did not have other future plans for material investments or capital assets during the Review Year.

USE OF PROCEEDS

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

As disclosed in the UOP Announcement, the Board resolved to change the use of the unutilised Net Proceeds. Set out below is the revised allocation of the unutilised Net Proceeds:

Intended use of Net Proceeds	**Approximate percentage of Net Proceeds**	**Planned use of proceeds** HK$'000	**Actual usage up to 31 March 2021** HK$'000	**Unutilised amounts as at 31 March 2021** HK$'000
Payment for upfront costs	15.2%	13,589	13,589	–
Obtaining performance bond	3.4%	3,046	3,046	–
Repayment of bank borrowings	50.4%	45,016	45,016	–
Expansion of workforce	21.0%	18,809	18,809	–
General working capital	10.0%	8,940	8,940	–
Total	100.0%	89,400	89,400	–

As at 31 March 2021, the Net Proceeds were fully utilised.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2021, the Group employed a total of 55 full-time employees (including three executive Directors but excluding three independent non-executive Directors) as compared to a total of 73 full-time employees as at 31 March 2020. The remuneration packages that the Group offers to employees including 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$28.4 million compared to approximately HK$42.1 million in the FY2020.

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 (FY2020: 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 59, 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 25 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 Wooden Company Limited ("**Milieu**"). Mr. Man attended secondary education.

Mr. Man has entered into a 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. 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 2021, 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 2021. 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 55, 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 25 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 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. 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 2021, 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 2021. 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 45, 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 22 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 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. 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 2021. 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 42, 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 CEFC Hong Kong Financial Investment Company Limited (香港華信金融投資有限公司) (formerly known as Runway Global Holdings Company Limited (時尚環球控股有限公司)) (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 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. 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 36, 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 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 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. 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 48, 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 19 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 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 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. 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 50, 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 25 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 47, 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 22 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 recognise 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**").

Corporate Governance Report

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, Ms. Ng Yuen Chun and Mr. Leung Wai Lim 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:

- 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.

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

Corporate Governance Report

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 6 meetings and 1 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	6/6	1/1
Ms. Ng Yuen Chun	6/6	1/1
Mr. Ho Chi Hong	6/6	1/1
Mr. Chan Ka Yu	6/6	1/1
Dr. Lo Ki Chiu	6/6	1/1
Mr. Leung Wai Lim	6/6	1/1

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

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

During the Review Year, the Audit Committee held 2 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 the FY2020 and the interim report of the Group for the six months ended 30 September 2020;
- reviewed the Group's financial information, financial report system, risk management and internal control procedures;
- reviewed the Company's auditors' independence and objective;
- 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 a 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 our 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 our Board's corporate goals and objectives; and (c) making recommendations to our Board on the remuneration of non-executive Directors.

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	3
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 one meeting and the attendance record of each member of the Remuneration Committee is set out below:

	Meeting attended/ Meeting convened
Mr. Leung Wai Lim *(Chairman)*	1/1
Mr. Chan Ka Yu	1/1
Dr. Lo Ki Chiu	1/1

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 a 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 our Board at least annually and making recommendations on any proposed changes to our Board to complement our corporate strategy; (b) identifying individuals suitably qualified to become our Board members and selecting or making recommendations to our 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 one meeting and the attendance record of each member of the Nomination Committee is set out below:

	Meeting attended/ Meeting convened
Mr. Man Hoi Yuen *(Chairman)*	1/1
Mr. Chan Ka Yu	1/1
Mr. Leung Wai Lim	1/1

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 Ms. Ng Yuen Chun and Mr. Leung Wai Lim 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	600,000
Non-audit services	200,000

The amount of fee incurred for the non-audit services represented HK$200,000 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 CT Partners Consultants Limited ("**CT Partners**") 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 requisition(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 dispatch 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 "Corporation 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 2021 annual general meeting will be held on Friday, 27 August 2021, 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 ESG REPORT

The Group is a long-established fitting-out contractor in Hong Kong with over 25 years of experience since the establishment of its first business entity, Hoi Sing Decoration. The Group understands the importance of being responsible for the impacts of our business operation in the discipline of environment, social, and governance. Along with our business development and growth, the Group values our commitment to society and makes every effort in achieving corporate social responsibilities in pursuing a sustainable business model. The Group is pleased to present the Environmental, Social and Governance Report (the "**ESG Report**") to provide an overview of our business management and performance through compliance and implementation of relevant internal policies.

The ESG Report was compiled in accordance with the Environmental, Social and Governance Reporting Guide as set out 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 Review Year as well as those for the FY2020 for comparison purposes. By adopting the latest ESG Reporting Guide, we reviewed and updated relevant information and figures from our operation during the Review Year. The ESG Report covers our major operational processes such as:

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

The Group acts as a project manager and principal coordinator in projects, 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 on project progress and budget, and monitoring rectification of defects during 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 use of vehicles.

Collection of data and compilation of the ESG Report have been confirmed and approved by the Board and the management of the Group. We would like to acknowledge our employees and external parties for their assistance in preparing the ESG Report and welcome stakeholders for feedback and suggestions on our approach in 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 which 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 as the most important to the stakeholders and the Group. Meanwhile, employment and development and training are also considered important according to the materiality assessment results.

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 on 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 report and interim report
Government and regulatory bodies	– Compliance and operation – Energy reduction – Resources conservation	– Supervision and evaluation – ESG Report – Inspection – Filings
Customers	– High-quality services – Data security – Established communication channels – Quality control	– Business communication – Customer feedback
Employees	– Protection of employee rights and interests – Improvement on employee remuneration and welfare – Career development	– Staff meetings and activities – Staff training – Recruitment
Communities	– Higher community involvement – Promoting recruitment	– Communication with communities and the government – Charity activities
Media	– Transparent information – Sustainable business maintenance	– Company's website – News monitoring

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

OUR ENVIRONMENTAL POLICY

Pollution Control and Emission Reduction

The Group acknowledges our responsibility towards environmental protection and complies with relevant laws and makes its greatest effort in balancing business development and the environmental impacts brought. We are conscious of every decision made in our business, such as project planning, subcontracting work, and purchasing raw material, in an endeavour to minimise unnecessary use of resources so as the emissions from that. Direct and indirect greenhouse gas (GHG) emission mainly including carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O) was attributable to electricity consumption at office and material transportation in daily operation and calculated and presented in the form of CO2 equivalent. Due to limitations in recording all usages and emissions of operational activities conducted at project sites, the following demonstrates the Group's GHG emissions and key air pollutants data recorded from our office activities and relevant transportation.

	For the year ended 31 March			
	2021		2020	
	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)	**9,762**	**35.09**	8,004	19.05
Indirect GHG emissions (Scope 2) (kg in CO_2 equivalent)	**22,015**	**79.13**	28,146	66.97
Total GHG emissions (kg in CO_2 equivalent)	**31,777**	**114.22**	36,150	86.02
NO_X (g)	**223**	**0.80**	104	0.25
SO_x (g)	**53**	**0.19**	43	0.10
PM (g)	**16**	**0.06**	8	0.02

During the Review Year, the Group aimed to maintain our GHG emissions by keeping our electricity consumption at a controlled level and minimising the use of unnecessary resources at our office. By the end of the Review Year, the total GHG emissions decreased slightly to 31,777 kg in CO_2 equivalent. Our growing needs for vehicle usage could partially explain the increase in direct GHG emissions along with the greater fuel consumption. In consideration of the balance between business achievements and energy efficiency, the Group will continue to monitor and revise our operational plans in order to further minimise emissions in the future. Meanwhile, the Group's indirect GHG emissions decreased due to the decreased paper consumption and the emission factor adjusted by CLP.

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 incident in relation to air pollutants and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. The Group's office operation does not involve hazardous waste, while the non-hazardous waste produced was mainly Municipal Solid Waste from our offices, which was disposed of at landfills. For the Review Year, there was no record of the non-hazardous wastes amount produced by the Group. The Group will continue to work on our production efficiency for a green operation.

Use of Resources

The table below demonstrates the Group's resources usage on unleaded petrol, electricity and paper:

	For the year ended 31 March			
	2021		2020	
	Resources Usage	**Usage intensity (per million dollars of revenue)**	Resources Usage	Usage intensity (per million dollars of revenue)
Unleaded petrol (L)	**3,605**	**12.96**	2,956	7.03
Electricity from CLP (kWh)	**37,397**	**134.42**	37,377	88.93
Paper (kg)	**613**	**2.20**	958	2.28

For the Review Year, the Group's energy consumption mainly included non-renewable fuel of unleaded petrol and purchase of energy from CLP. The total energy consumption for the Review Year was 72,334 kWh and the total energy consumption intensity per million of revenue was 260.01 kWh/million. Unleaded petrol consumed by automobiles serves as the major source of pollutants for the Group. As the Group incurred more vehicle usage during the Review Year, an increase in the consumption of unleaded petrol was recorded.

In an effort to environmental protection, the Group's internal guidelines encourage our staff to minimise unnecessary electricity and water consumption and reduce waste at source such as paper recycling and reducing paper packaging. Reminders, including posters and infographics, are put up at the workplace to motivate energy-smart amongst our employees. For the Review Year, while the electricity usage was maintained at the same level from the FY2020's, paper consumption was greatly reduced from 958 kg to 613 kg. Since furniture and fixtures are usually made-to-order, waste generated by works done on-site is usually non-material. Due to its insignificant usage, the Group does not have a record for its water consumption for the Review Year. Besides, the project management team of the Group is required to select and supervise subcontractors' compliance with rules of fitting-out works, which includes a range of measures:

- 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 recycled material 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

During the Review Year, the Group encountered no issue in sourcing water that is fit for purpose and the Group's operations did not involve any use of packaging materials on site.

Apart from energy consumption and use of resources disclosed above, the Group's operation did not produce other direct and 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.

EMPLOYMENT PRACTICES

In consideration of our employees' rights and benefits, the Group follows all legal regulations and has executed a series of internal policies that were set out by our human resource department. First and foremost, employment of illegal labour and underaged individuals (below the age of 16) is forbidden. All employees are required to submit a proof of identity before onboarding, where only licensed and qualified applicants would be considered during our recruitment process. The Group strictly follows the Employment Ordinance of Hong Kong.

In consideration of our employees' rights and benefits, the Group follows all legal regulations and has executed a series of internal policies that were set out by our human resource department. First and foremost, the Group prohibits any recruitment of child labour, forced labour nor black-market labour, where only licensed and qualified applicants would be considered during our recruitment process. In accordance with the employment law in Hong Kong, employees of the Group are covered by Minimum Wage Ordinance (Chapter 608 of the Laws 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 days payroll, and leave to dismissal.

The Group began the Review Year with 73 employees, concluded it with 55 employees at year-end, which covers 5 recruits and 23 resignees. Detailed categorisation of full-time employees is laid out below:

	For the year ended 31 March	
	2021	2020
By job function		
Management	**14**	16
Administration	**13**	15
Technicians	**0**	0
Supervisors	**20**	33
Others (Janitorial)	**8**	9
By gender		
Male	**39**	51
Female	**16**	22
By age group		
≤30	**8**	21
31–40	**18**	20
41–50	**18**	24
51–60	**11**	7
≥61	**0**	1
By employment location		
Hong Kong	**55**	73
Total	**55**	73

Equal Opportunities

Our Group treasures the differences and well-being of our employees and treats all employees on an equal footing. We are firmly against any form of discrimination in age, disability, race, religion, gender, and sexual orientation, where none of these factors are considered before personal merit and competence in neither our evaluation for employment, promotion opportunities, nor remuneration. As a result of fair recruitment practices, the Group has attained a relatively diverse employee proportion of different age groups ranging from below 30 to 60 for the Review Year. The Group did not receive any complaints regarding unequal employment nor treatment. Relevant trainings are also provided to cater to the different needs of each employee role. More about development and training will be explained further in the below section.

Remuneration and Benefits

We value our employees as the greatest asset of the Group and believe that the more work satisfaction, the higher motivation they have at work. Therefore, remuneration in terms of salary and benefits is adjusted according to regular performance appraisals. Besides, all employees enjoy statutory holidays and sufficient rest days.

For the Review Year, the Group's total employee turnover rate was approximately 36%, where most of the employee who left the Group were from the age group of 30 and below and 61 or above.

The table below sets the employee turnover rate by gender, age group and geographical region for the Review Year and the FY2020, respectively:

	For the year ended 31 March	
	2021	2020
By gender		
Male	**23%**	16%
Female	**88%**	145%
By age group		
≤30	**100%**	95%
31–40	**22%**	40%
41–50	**44%**	13%
51–60	**18%**	114%
≥61	**100%**	100%
By employment location		
Hong Kong	**36%**	49%
Total	**36%**	49%

OCCUPATIONAL HEALTH AND SAFETY

The Group has established a range of standard policies applied to fitting-out projects management, which are updated to the latest safety regulations and industry guidelines annually. On a project-by-project basis, our team validates required licenses and has acquired approval for scaffolding structures, whist all the workers and subcontractors are covered by insurances to ensure a sound foundation and complete legality. The Group has also commissioned an independent third party to inspect and review our safety standards for any possible improvement. Although the roles of our full-time employees usually do not involve occupational hazards as they do not work at construction sites, the Group focuses on ameliorating safety standards at the workplace such as fatigue prevention to ensure our staff is educated with risk awareness. There was no fatalities from occupational accidents incident for the Review Year, the FY2020, nor the year ended 31 March 2019. There was one work-related injury for the Review Year.

Below summarises the Group's safety data recorded during the Review Year and the FY2020, respectively:

	For the year ended 31 March			
	2021		2020	
	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**	0	0

DEVELOPMENT AND TRAINING

The Group places great emphasis on developing our employees' professional knowledge according to their job nature, especially on safety knowledge as subcontractors face a relatively high risk at the workplace. 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 attendances by categories:

	For the year ended 31 March			
	2021		2020	
	Total number of employees trained	**The average training hours completed per employee**	Total number of employees trained	The average training hours completed per employee
By gender				
Male	**12**	**1.6**	13	1.1
Female	**7**	**1.5**	24	1.2
By job function				
Management	**2**	**1.3**	4	1.4
Administration	**12**	**1.8**	13	1.4
Technicians	**0**	**0**	0	0
Supervisors	**5**	**1.0**	18	1.1
Others (Janitorial)	**0**	**0**	2	0.6

OPERATING PRACTICES

Supplier and Subcontractor Management

As mentioned above, our staff is required to follow a range of workflow standards to keep an eye on the integrity of all subcontracted projects, while material suppliers are added to our approved suppliers' list only after passing our 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. Besides, the Group generally maintains multiple materials suppliers to avoid over-reliance. Most of the projects are based on individual quotations with no long-term supply agreements. For the Review Year, the Group had 92 suppliers in total; 3 suppliers from China and 89 suppliers from Hong Kong.

PRODUCT RESPONSIBILITY

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 payment 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. Customer information of each project is only handled by responsible team members, and the designated person of each project is the gatekeeper of customer or project information so as to keep circulation within internal communications and for commercial use only. Their information would be shared with third parties only when permission is granted from the customer. Highly confidential information must be stored properly and encrypted in our system.

ANTI-CORRUPTION

Upholding a high standard of corporate governance, the Group put efforts fighting against corruption and strictly abides by the Prevention of Bribery Ordinance in Hong Kong to maintain fairness in our business and market integrity. 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 review, and ascertains the independence of parties with conflict of interest. To encourage effective scrutiny, an anonymous reporting channel for unethical behaviour is provided to informants.

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

COMMUNITY INVESTMENT

As a business rooted in Hong Kong, we are deeply concerned with our society and seriously consider the welfare of local communities around our project sites and headquarters. Our Group puts effort into understanding different demands and expectations from various stakeholders, and we also aim to contribute positively to our local community. Yet, during the Review Year under the COVID-19 pandemic, we were unable to participate in any physical charitable events like before. Yet, our Group support programmes in reducing food waste, alleviating poverty, and related education in the form of donation. For the Review Year, we donated HK$8,000 to Food Angel. In the coming year, we hope to be involved in more volunteer works to help people in need when the COVID-19 situation recedes.

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 12 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 2021, calculated under the Companies Law of Cayman Islands amounted to approximately HK$84.1 million.

FINAL DIVIDEND

The Board has reserved not to recommend the declaration of a final dividend for the Review Year (FY2020: 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 18 to 29 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 projects undertaking. 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 2021 AGM will be held at Unit 1203B, 12/F, World-Wide House, 18 Des Voeux Road, Central, Hong Kong on Friday, 27 August 2021. The notice of the AGM will be published and dispatched 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, 24 August 2021 to Friday, 27 August 2021, 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, 23 August 2021.

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, Ms. Ng Yuen Chun and Mr. Leung Wai Lim 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 13 to 17 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 104 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 13 to 17 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 2021, 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 our chairman), Ms. Ng Yuen Chun (our executive Director) and Mr. Ho Chi Hong (our executive Director and our chief executive officer) as to 50%, 30% and 20%, respectively.

(3) Ms. Ng Yuen Chun is the spouse of Mr. Man Hoi Yuen. Therefore, Ms. Ng Yuen Chun and Mr. Man Hoi Yuen are deemed or taken to be interested in the Shares held by Hoi Lang Holdings Ltd. under the SFO.

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 2021, 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 2021, 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 2021, so far as the Directors were aware, none of the persons (other than the Directors or chief executives of the Company) had, or was deemed to have interests or short positions in the Shares and underlying Shares which were required to be recorded in the register of interests kept by the Company pursuant to section 336 of the SFO, and which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "**Share Option Scheme**") on 6 December 2018. The principal terms of the Share Option Scheme are summarised in Appendix IV to the Prospectus. The purpose of the Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group. The maximum number of Shares in respect of which share options may be granted under the Share Option Scheme and any other schemes shall not, in aggregate, exceed 48,000,000 Shares (representing 10% of the 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 2021.

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	66.0% (FY2020: 63.2%)
– five largest customers	98.1% (FY2020: 96.0%)

Purchases

– the largest supplier	31.8% (FY2020: 15.4%)
– five largest suppliers	73.0% (FY2020: 54.3%)

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.

USE OF PROCEEDS

The details of the use of proceeds for the Review Year is set out in the section headed "Management Discussion and Analysis" on page 11 in this report.

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.

CONTINUING CONNECTED TRANSACTION

During the Review Year, the Group had a continuing connected transaction, details of which are set out below:

Headquarter Office Tenancy Agreement

On 19 September 2018, a tenancy agreement (the "**Headquarter Office Tenancy Agreement**") was entered into between Hoi Sing Holdings (HK) Limited ("**Hoi Sing Holdings**") as landlord, and our Company as tenant, under which Hoi Sing Holdings agreed to lease Unit 8, 39/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong with a gross floor area of 2,755 sq.ft., for a term ending on 31 March 2021 to our Company for office use. According to the Headquarter Office Tenancy Agreement, (i) our Company shall pay to Hoi Sing Holdings the monthly rental of HK$44,000 (exclusive of government rent and rates, and management fees); (ii) our Company shall pay the utility charges of a recurring nature including gas, water, air-conditioning, electricity and telephone; and (iii) Hoi Sing Holdings shall pay the government rent and rates, and management fee.

For the Review Year, the aggregate rentals paid to Hoi Sing Holdings under the Headquarter Office Tenancy Agreement was approximately HK$528,000.

Hoi Sing Holdings principally engages in property investment. As at 31 March 2021, Hoi Sing Holdings is directly owned as to 50% by Mr. Man and as to 50% by Mrs. Man, each a Director and controlling shareholder of the Company, and hence Hoi Sing Holdings is a connected person of the Company.

The independent non-executive Directors, who are not interested in any connected transaction with the Group, have reviewed and confirmed that the continuing connected transaction as set out above has been entered into by the Group in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditors of the Company have also reviewed aforesaid continuing connected transaction and confirmed to the Board that nothing has come to their attention that causes them to believe (i) that it has not been approved by the Board; (ii) that it was not entered into, in all material respects, in accordance with the relevant agreements governing such transaction; and (iii) that such transaction has exceeded the annual cap as set by the Company.

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

Grant Thornton Hong Kong Limited ("**Grant Thornton**") was appointed as the auditor of the Company on 25 October 2019 to fill the casual vacancy following the resignation of HLB Hodgson Impey Cheng Limited.

The consolidated financial statement for the Review Year have been audited by Grant Thornton, 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$67,000 (FY2020: HK$97,000).

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 2021 and up to the date of this report.

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

Hong Kong, 22 June 2021

Independent Auditor's Report

Grant Thornton
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 103, which comprise the consolidated statement of financial position as at 31 March 2021, 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 2021, 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$278,182,000 and HK$306,323,000, respectively in the consolidated statement of profit or loss and other comprehensive income and related contract assets of approximately HK$154,556,000 and contract liabilities of approximately HK$498,000 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.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information included in the 2021 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 are assisted by the Audit Committee in discharging their responsibilities 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
Level 12
28 Hennessy Road
Wanchai
Hong Kong

22 June 2021

Chi-Kit Shaw
Practising Certificate No.: P04834

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2021

	Notes	2021 HK$'000	2020 HK$'000
Revenue	5	**278,182**	420,302
Direct costs		**(306,323)**	(408,902)
Gross (loss)/profit		**(28,141)**	11,400
Other gains – net	6	**11,836**	46
Administrative and other operating expenses		**(14,546)**	(17,073)
Finance costs	7	**(1,703)**	(2,230)
Loss before income tax	8	**(32,554)**	(7,857)
Income tax credit/(expense)	9	**39**	(105)
Loss and total comprehensive expense for the year attributable to equity holders of the Company		**(32,515)**	(7,962)
		HK cents	HK cents
Loss per share attributable to equity holders of the Company			
– Basic and diluted	11	**(6.77)**	(1.66)

The note on pages 58 to 103 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 2021

	Notes	2021 HK$'000	2020 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	**584**	1,655
Right-of-use assets	16	**1,751**	1,442
Deferred tax assets	26	**4**	35
		2,339	3,132
Current assets			
Trade and other receivables	17	**26,994**	56,686
Contract assets	18	**154,556**	194,381
Cash and bank balances	19	**23,548**	25,267
Restricted cash	20	**3,046**	3,046
Tax recoverable		**66**	1,833
		208,210	281,213
Current liabilities			
Trade and other payables	21	**26,191**	50,993
Contract liabilities	18	**498**	15,654
Bank borrowings	24	**43,485**	43,244
Amount due to a director	22	**2,750**	4,600
Lease liabilities	23	**918**	1,431
		73,842	115,922
Net current assets		**134,368**	165,291
Total assets less current liabilities		**136,707**	168,423
Non-current liability			
Lease liabilities	23	**842**	43
Net assets		**135,865**	168,380
CAPITAL AND RESERVES			
Share capital	27	**4,800**	4,800
Reserves	28	**131,065**	163,580
Total equity		**135,865**	168,380

Mr. Man Hoi Yuen
Director

Mr. Ho Chi Hong
Director

The note on pages 58 to 103 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

	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 2019	4,800	105,059	200	104,683	214,742
Loss and total comprehensive expense for the year	–	–	–	(7,962)	(7,962)
Dividend paid *(note 10)*	–	–	–	(38,400)	(38,400)
Balance as at 31 March 2020 and 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	**4,800**	**105,059**	**200**	**25,806**	**135,865**

* These reserve accounts comprise the consolidated reserves of approximately HK$131,065,000 (2020: approximately HK$163,580,000) in the consolidated statement of financial position.

The note on pages 58 to 103 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2021

	Notes	2021 HK$'000	2020 HK$'000
Cash flows from operating activities			
Loss before income tax		**(32,554)**	(7,857)
Adjustments for:			
Depreciation of owned property, plant and equipment		**1,071**	1,040
Depreciation of right-of-use assets		**1,470**	1,433
Interest income		**(1)**	(2)
Interest expense	7	**1,703**	2,230
(Reversal)/Provision for expected credit losses ("**ECL**") allowance on trade and other receivables – net		**(209)**	91
Provision/(Reversal) for ECL allowance on contract assets – net		**19**	(33)
Operating loss before changes in working capital		**(28,501)**	(3,098)
Decrease in trade and other receivables		**142,835**	176,914
Decrease in contract assets		**(73,128)**	(143,001)
Decrease in trade and other payables		**(24,802)**	(41,229)
(Decrease)/Increase in contract liabilities		**(15,156)**	15,654
Cash generated from operations		**1,248**	5,240
Income tax refund/(paid)		**1,837**	(6,903)
Net cash generated from/(used in) operating activities		**3,085**	(1,663)
Cash flows from investing activities			
Interest received		**1**	2
Purchases of property, plant and equipment		**–**	(1,224)
Net cash generated from/(used in) investing activities		**1**	(1,222)
Cash flows from financing activities			
Increase in restricted cash		**–**	(3,046)
Interest paid		**(1,703)**	(2,230)
Payment of lease liabilities		**(1,493)**	(1,401)
Dividend paid	10	**–**	(38,400)
Proceeds from bank borrowings		**108,406**	203,877
Repayments of bank borrowings		**(108,165)**	(185,720)
(Decrease)/Increase in amount due to a director		**(1,850)**	4,600
Net cash used in financing activities		**(4,805)**	(22,320)
Net decrease in cash and cash equivalents		**(1,719)**	(25,205)
Cash and cash equivalents at beginning of the year		**25,267**	50,472
Cash and cash equivalents at end of the year	19	**23,548**	25,267

The note on pages 58 to 103 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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 with effect from 1 April 2021, the address of principal place of business of the Company has been changed from Unit 8, 39/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong to 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 2021, 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 2021 were approved for issue by the Board of Directors on 22 June 2021.

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 ("**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 or 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

Upon the application of HKFRS 16, 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-net 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-net 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-net.

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 (note 2.11) 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 (note 2.5).

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (note 2.11). 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 (note 2.5).

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 – net" 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.

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 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 periods beginning on or after 1 April 2020

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 2020:

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

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

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

Amendment to HKFRS 16 "Covid-19-Related Rent Concessions"

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

The practical expedient is only applicable to COVID-19-Related Rent Concessions and only if all of the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

(c) there is no substantive change to other terms and conditions of the lease.

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

3. ADOPTION OF NEW AND AMENDED HKFRSs (CONTINUED)

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[3]
Amendments to HKFRS 3	Reference to the Conceptual Framework[5]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendment to HKFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021[6]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to HKAS 8	Definition of Accounting Estimates[3]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020[2]
HK Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[3]

1 Effective for annual periods beginning on or after 1 January 2021
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after 1 January 2023
4 Effective date not yet determined
5 Effective for business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2022
6 Effective for annual periods beginning on or after 1 April 2021

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 2021, no impairment loss was recognised for property, plant and equipment and right-of-use assets (2020: 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 2021 and 2020 are as follows:

	2021 HK$'000	2020 HK$'000
Revenue from contracts with customers		
By timing of revenue recognition:		
Control transferred over time	**278,182**	420,302
By type of services:		
Fitting-out services	**278,182**	420,302

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

During the year ended 31 March 2021, the Group had undertaken a project in Tuen Mun with total contract sum of HK$126,160,000. Affected by the outbreak of the novel coronavirus (COVID-19) pandemic, the project had been prolonged and delayed. In order to catch up with the progress and handover to end-buyers in or before July 2020, the Group incurred unexpected additional costs and recorded contract revenue of approximately HK$33,836,000 and gross loss of approximately HK$28,858,000 respectively for the year ended 31 March 2021 (contract revenue and gross profit of approximately HK$72,508,000 and HK$3,625,000 respectively for the year ended 31 March 2020). As at 31 March 2021, the respective trade receivable and contract assets were Nil and approximately HK$7,526,000 respectively (As at 31 March 2020: approximately HK$10,223,000 and HK$42,702,000 respectively).

Information about major customers

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

	2021 HK$'000	2020 HK$'000
Customer A[1]	**183,572**	265,749
Customer B[1]	**47,013**	N/A[2]
Customer C	**33,836**	72,508

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 2021 and 2020.

	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

	2020 HK$'000
Remaining performance obligations expected to be satisfied during the year ending:	
31 March 2021	144,635
31 March 2022	41,763
	186,398

6. OTHER GAINS – NET

	2021 **HK$'000**	2020 HK$'000
Bank interest income	**1**	2
Government grant *(note)*	**11,565**	50
Net foreign exchange gains/(losses)	**50**	(39)
Reversal of provision for ECL allowance on trade and other receivables	**209**	–
Reversal of provision for ECL allowance on contract assets	**–**	33
Sundry income	**11**	–
	11,836	46

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

	2021 HK$'000	2020 HK$'000
Interest on bank borrowings	**1,652**	2,128
Finance charges on lease liabilities	**51**	102
	1,703	2,230

8. LOSS BEFORE INCOME TAX

	2021 HK$'000	2020 HK$'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))*	**27,305**	40,433
Contributions to defined contribution retirement plans	**1,073**	1,662
	28,378	42,095
(b) Other items		
Depreciation, included in:		
Direct costs		
– Owned assets	**29**	26
Administrative expenses		
– Owned assets	**1,042**	1,014
– Right-of-use assets	**1,470**	1,433
	2,541	2,473
Subcontracting charges (included in direct costs)	**212,098**	293,688
Cost of materials and finished goods	**69,625**	76,222
Auditors' remuneration	**800**	650
Short term lease with lease term less than 12 months in respect of machinery and equipment	**84**	390
Short term lease with lease term less than 12 months in respect of warehouse	**–**	164
(Reversal)/Provision for ECL allowance on trade and other receivables, net	**(209)**	91
Provision/(Reversal) for ECL allowance on contract assets, net	**19**	(33)

8. LOSS BEFORE INCOME TAX (CONTINUED)

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

	2021 HK$'000	2020 HK$'000
Direct costs	**21,736**	34,469
Administrative expenses	**6,642**	7,626
	28,378	42,095

Note (ii): During the year ended 31 March 2021, one director's quarter has been recognised as lease liability and corresponding right-of-use asset. The depreciation and lease payments in respect of relevant right-of-use asset and lease liability amounted to approximately HK$444,000 and HK$465,000 (2020: HK$448,000 and HK$468,000), respectively.

9. INCOME TAX (CREDIT)/EXPENSE

	2021 HK$'000	2020 HK$'000
Current Tax		
– Hong Kong profits tax		
Current year	**12**	77
(Over)/Under provision in respect of prior year	**(82)**	27
	(70)	104
Deferred Tax *(note 26)*	**31**	1
Income tax (credit)/expense	**(39)**	105

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 and 2020, Hong Kong profits tax of Hoi Sing Construction (H.K.) Limited ("**Hoi Sing Construction**"), a subsidiary of the Company, is calculated in accordance with the two-tiered profit tax rates regime. Profits tax of other group entities continue to be taxed at the flat rate of 16.5%.

9. INCOME TAX (CREDIT)/EXPENSE (CONTINUED)

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

	2021 HK$'000	2020 HK$'000
Loss before income tax	**(32,554)**	(7,857)
Tax on loss before income tax, calculated at the Hong Kong Profits Tax rate of 16.5%	**(5,371)**	(1,296)
Effect of two-tiered profits tax rates regime	**(11)**	(77)
Tax effect of non-taxable revenue	**(1,917)**	(9)
Tax effect of non-deductible expenses	**8**	27
Tax effect of tax losses not recognised	**7,174**	1,423
Utilisation of tax losses previously not recognised	**(4)**	(22)
Tax effect of deductible temporary differences not recognised	**164**	32
(Over)/Under provision in respect of prior years	**(82)**	27
Income tax (credit)/expense	**(39)**	105

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 2021, the Group had unused tax losses of approximately HK$61,333,000 (2020: approximately HK$17,646,000), 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

	2021 HK$'000	2020 HK$'000
Final dividend in respect of the previous financial year, approved and paid during the year – Nil (2020: HK 8 cents per ordinary share)	–	38,400

The Board did not recommend the payment of dividend for the year ended 31 March 2021 (2020: 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.

	2021	2020
Loss attributable to equity holders of the Company (HK$'000)	**32,515**	7,962
Weighted average number of ordinary shares in issue (in thousands)	**480,000**	480,000
Basic loss per share (HK cents)	**6.77**	1.66

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 2021 and 2020.

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 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**
Year ended 31 March 2020				
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

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 2021, 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 (2020: Nil). Neither the chief executive nor any of the directors has waived or agreed to waive any emoluments during the year ended 31 March 2021 (2020: 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 (2020: two) of them are directors for the year ended 31 March 2021. The emoluments in respect of the remaining three (2020: three) individuals for the year ended 31 March 2021 are as follows:

	2021 **HK$'000**	2020 HK$'000
Salaries, allowances and other benefits in kind	**2,128**	1,933
Retirement scheme contributions	**54**	51
	2,182	1,984

The emoluments of each of the above non-directors, highest paid individuals were below HK$1,000,000. During the year ended 31 March 2021, 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 (2020: Nil).

14. SUBSIDIARIES OF THE COMPANY

Particulars of principal subsidiaries at 31 March 2021 and 2020 are as follows:

Name of subsidiary	Legal form, date and place of incorporation/ operations	Particulars of issued and paid up capital	Attributable equity interest 2021	 2020	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)**	N/A	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$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 2019	830	1,444	–	2,274
Additions	823	–	1,722	2,545
As at 31 March 2020	1,653	1,444	1,722	4,819
Accumulated depreciation				
As at 1 April 2019	680	1,444	–	2,124
Charge for the year	191	–	849	1,040
As at 31 March 2020	871	1,444	849	3,164
Net book value				
As at 31 March 2020	782	–	873	1,655
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**

16. RIGHT-OF-USE ASSETS

	HK$'000
Cost	
As at 1 April 2019	–
Initial application of HKFRS 16	2,775
Additions	100
As at 31 March 2020 and 1 April 2020	**2,875**
Lease modification	**1,779**
Written off	**(1,006)**
As at 31 March 2021	**3,648**
Accumulated depreciation	
As at 1 April 2019	–
Charge for the year	1,433
As at 31 March 2020 and 1 April 2020	**1,433**
Charge for the year	**1,470**
Written off	**(1,006)**
As at 31 March 2021	**1,897**
Net book value	
As at 31 March 2021	**1,751**
As at 31 March 2020	1,442

As at 31 March 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 (2020: two office premises, a staff quarter and a carpark, which have been depreciated over the lease period of 22 to 24 months on a straight line basis).

17. TRADE AND OTHER RECEIVABLES

	2021 **HK$'000**	2020 HK$'000
Trade receivables	**12,063**	36,196
Less: ECL allowance	**(1)**	(37)
Trade receivables – net *(note (a))*	**12,062**	36,159
Retention receivables *(note (b))*	**13,211**	16,399
Other receivables, deposits and prepayments *(note (c))*	**1,721**	4,128
	26,994	56,686

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes:

(a) Trade receivables

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

	2021 HK$'000	2020 HK$'000
0–30 days	11,979	15,275
31–60 days	–	14,136
61–90 days	–	6,203
Over 90 days	83	545
	12,062	36,159

During the year ended 31 March 2021, reversal of ECL allowance of approximately HK$36,000 (2020: approximately HK$111,000) 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 2021, and were due for settlement in accordance with the terms of respective contract (2020: Nil).

The Group generally allows 3% to 10% of total contract price of its contracts as retention, which are unsecured, interest-free and recoverable at the completion of the defects liability period of individual contracts which range from 12 months to 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 2021 as follows:

	2021 HK$'000	2020 HK$'000
Due within one year	13,211	16,399

During the year ended 31 March 2021, reversal of ECL allowance of approximately HK$99,000 (2020: provision of ECL allowance of approximately HK$121,000) were made (note 33.2).

(c) Other receivables, deposits and prepayments

	2021 HK$'000	2020 HK$'000
Other receivables	700	309
Deposits	186	2,590
Prepayments	842	1,310
	1,728	4,209
Less: ECL allowance	(7)	(81)
Balance at 31 March	1,721	4,128

During the year ended 31 March 2021, reversal of ECL allowance of approximately HK$74,000 (2020: provision of ECL allowance of approximately HK$81,000) were made (note 33.2).

18. CONTRACT ASSETS AND LIABILITIES

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

	2021 HK$'000	2020 HK$'000
Contract assets	**154,610**	194,416
Less: ECL allowance	**(54)**	(35)
Contract assets – net	**154,556**	194,381
Contract liabilities	**(498)**	(15,654)
	154,058	178,727

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional upon rendering of the billings. The contract liabilities primarily relate to the advanced consideration received from customers, for which revenue is recognised based on the progress of the provision of related services. During the year ended 31 March 2021, additional provision of ECL allowance of approximately HK$19,000 (2020: reversal of ECL allowance of approximately HK$33,000) were made against the gross amounts of contract assets (note 33.2).

As at 31 March 2021, the decrease in contract assets is mainly due to transfer to trade receivables when the rights become unconditional upon rendering of the billings and the decrease in revenue. 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.

	2021 HK$'000	2020 HK$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**15,654**	–
Transfers from the contract assets recognised at the beginning of the year to trade receivables	**(112,934)**	(191,397)

19. CASH AND BANK BALANCES

	2021 HK$'000	2020 HK$'000
Cash at banks	**23,548**	25,267

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

	2021 HK$'000	2020 HK$'000
Trade payables *(note (a))*	**20,650**	46,295
Accruals and other payables *(note (b))*	**5,541**	4,698
	26,191	50,993

Notes:

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

	2021 HK$'000	2020 HK$'000
0–30 days	**11,309**	20,990
31–60 days	**1,711**	3,372
61–90 days	**4,188**	4,907
Over 90 days	**3,442**	17,026
	20,650	46,295

(b) Accruals and other payables mainly comprise (i) accrued salaries of approximately HK$1,854,000 (2020: HK$2,628,000); (ii) accrued refund in relation to Employment Support Scheme for Construction Sector (Casual Employees) under Anti-epidemic Fund of approximately HK$2,704,000 (2020: Nil) and (iii) accrued professional fees of approximately HK$789,000 (2020: HK$1,189,000).

22. AMOUNT DUE TO A DIRECTOR

Name of director	2021 HK$'000	2020 HK$'000
Mr. Man	**2,750**	4,600

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:

	2021 HK$'000	2020 HK$'000
Total minimum lease payments:		
Within one year	**981**	1,469
After one year but within two years	**863**	44
	1,844	1,513
Future finance charges on lease liabilities	**(84)**	(39)
Present value of lease liabilities	**1,760**	1,474
Present value of minimum lease payments:		
Within one year	**918**	1,431
After one year but within two years	**842**	43
	1,760	1,474
Less: Portion due within one year included under current liabilities	**(918)**	(1,431)
Portion due after one year included under non-current liabilities	**842**	43

Note: As at 31 March 2021, the carrying amounts of the Group's right-of-use assets in relation to an office premise, a staff quarter and a carpark are HK$1,751,000 (2020: HK$1,442,000) (note 16).

During the year ended 31 March 2021, the Group had three (2020: four) lease agreements comprising one office premise, one staff quarter and one carpark (2020: two office premises, one staff quarter and one carpark) for 2 years (2020: 1 to 2 years) with total cash outflows for the leases of HK$1,628,000 (2020: HK$2,057,000). The Group considered that no extension option or termination option would be exercised at the lease commencement date.

24. BANK BORROWINGS

	2021 HK$'000	2020 HK$'000
Bank borrowings	**43,485**	43,244

All the bank borrowings are analysed as follows:

	2021 HK$'000	2020 HK$'000
Within one year	**40,819**	43,244
Not repayable within one year from the end of the reporting period but contain a repayment on demand clause	**2,666**	–
Amount shown under current liabilities	**43,485**	43,244

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

As at 31 March 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 (2020: HIBOR plus 3.0% and HIBOR plus 3.5% per annum).

25. BANKING FACILITIES

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

(i) Unlimited corporate guarantee granted by the Company; and

(ii) Proceeds in relation to all account receivables of one of the subsidiaries of the Company.

As at 31 March 2021, the Group had unutilised banking facilities for bank borrowings amounting to approximately HK$5,715,000 (2020: approximately HK$6,756,000).

26. DEFERRED TAX

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

	ECL allowance on trade and other receivables and contract assets HK$
As at 1 April 2019	36
Debited to consolidated statement of profit or loss and other comprehensive income *(note 9)*	(1)
As at 31 March 2020 and 1 April 2020	**35**
Debited to consolidated statement of profit or loss and other comprehensive income *(note 9)*	**(31)**
As at 31 March 2021	**4**

27. SHARE CAPITAL

	Number of ordinary shares	Share capital HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 31 March 2020 and 2021	1,000,000,000	10,000
Issued and fully paid:		
At 31 March 2020 and 2021	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

	2021 **HK$'000**	2020 HK$'000
ASSETS AND LIABILITIES		
Non-current assets		
Investment in a subsidiary	**1**	1
Right-of-use assets	**–**	503
	1	504
Current assets		
Prepayments	**275**	255
Amounts due from subsidiaries	**85,196**	87,309
Cash and bank balances	**186**	1,792
	85,657	89,356
Current liabilities		
Accruals	**789**	1,188
Amount due to a subsidiary	**759**	777
Lease liabilities	**–**	515
	1,548	2,480
Net current assets	**84,109**	86,876
Net assets	**84,110**	87,380
CAPITAL AND RESERVES		
Share capital	**4,800**	4,800
Reserve *(note (a))*	**79,310**	82,580
Total equity	**84,110**	87,380

Approved and authorised for issue by the board of directors on 22 June 2021.

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 2019	105,059	(19,026)	86,033
Profit and total comprehensive income for the year	–	34,947	34,947
Dividend paid *(note 10)*	–	(38,400)	(38,400)
Balance as at 31 March 2020 and 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	**105,059**	**(25,749)**	**79,310**

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 2019	25,087	2,775	–	27,862
Cash flows:				
Proceeds from bank borrowings	203,877	–	–	203,877
Repayments of bank borrowings	(185,720)	–	–	(185,720)
Loan interest expense paid	(2,128)	–	–	(2,128)
Capital element of lease rental paid	–	(1,401)	–	(1,401)
Interest element of lease rental paid	–	(102)	–	(102)
Increase in amount due to a director	–	–	4,600	4,600
Non-cash:				
Capital element upon entering of new leases	–	100	–	100
Interest on bank borrowings	2,128	–	–	2,128
Finance charges on lease liabilities	–	102	–	102
As at 31 March 2020 and 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	**43,485**	**1,760**	**2,750**	**47,995**

31. CAPITAL COMMITMENTS

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

	2021 HK$'000	2020 HK$'000
Property, plant and equipment	**92**	184

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	2021 HK$'000	2020 HK$'000
Hoi Sing Holdings (HK) Limited ("**Hoi Sing Holdings**")	Lease payments	(i)	**528**	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 was expired during the year ended 31 March 2021 and the Group did not renew the lease arrangement. As at 31 March 2020, the related lease liabilities amounting to HK$515,000.

(b) Key management personnel remuneration

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

	2021 HK$'000	2020 HK$'000
Salaries, fee, allowances and other benefits	**3,629**	4,087
Retirement benefit scheme contributions	**83**	97
	3,712	4,184

(c) Guarantee provided by related party

Details of guarantee provided 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:

	2021 HK$'000	2020 HK$'000
Financial assets		
At amortised cost:		
Trade and other receivables	**26,152**	53,041
Cash and bank balances	**23,548**	25,267
Restricted cash	**3,046**	3,046
	52,746	81,354
Financial liabilities		
At amortised cost:		
Trade and other payables	**26,191**	50,993
Amount due to a director	**2,750**	4,600
Lease liabilities	**1,760**	1,474
Bank borrowings	**43,485**	43,244
	74,186	100,311

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 profits 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 2021, 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 2021 would have been increased/decreased by approximately HK$435,000 (2020: approximately HK$432,000). 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 at 31 March 2021 and 2020 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 2021, there were three customers (2020: 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 79.2% (2020: 89.7%) of the Group's trade and retention receivables and contract assets as at 31 March 2021. 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 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 2021 and 2020 were as follows:

	Trade receivables HK$'000	Retention receivables HK$'000	Contract assets HK$'000	Total HK$'000
As at 1 April 2019	148	–	68	216
Provision made for the year	8	121	–	129
Reversal for the year	(119)	–	(33)	(152)
As at 31 March 2020 and 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	**1**	**22**	**54**	**77**

For the years ended 31 March 2020 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 2021, reversal of ECL allowance of approximately HK$74,000 (2020: Additional provision of HK$81,000) 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 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**
As at 31 March 2020					
Trade and other payables	50,993	–	–	50,993	50,993
Amount due to a director	4,600	–	–	4,600	4,600
Lease liabilities	1,469	44	–	1,513	1,474
Bank borrowings	43,825	–	–	43,825	43,244
	100,887	44	–	100,931	100,311

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 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:

	2021 **HK$'000**	2020 HK$'000
Total debt	**47,995**	49,318
Total equity	**135,865**	168,380
Gearing ratio	**35.3%**	29.3%

35. EVENTS AFTER REPORTING DATE

The directors believe Hong Kong economy will be recovered from COVID-19 pandemic eventually amid the availability of vaccine for extensive distribution in 2021. However, there were new COVID-19 cases lately. The Group will be cautious and stay vigilant and react to the evolving situation.

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				
	2021	2020	2019	2018	2017
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**278,182**	420,302	669,780	560,283	346,391
Direct costs	**(306,323)**	(408,902)	(589,352)	(498,849)	(304,154)
Gross (losses)/profit	**(28,141)**	11,400	80,428	61,434	42,237
Other gains/(losses) – net	**11,836**	46	62	56	(7)
Administrative and other operating expenses	**(14,546)**	(17,073)	(32,531)	(12,912)	(8,220)
Finance costs	**(1,703)**	(2,230)	(1,828)	(1,657)	(961)
(Loss)/Profit before income tax	**(32,554)**	(7,857)	46,131	46,921	33,049
Income tax credit/(expense)	**39**	(105)	(10,168)	(8,327)	(5,910)
(Loss)/Profit and total comprehensive (expense)/income for the year attributable to equity holders of the Company	**(32,515)**	(7,962)	35,963	38,594	27,139
(Loss)/Earnings per share attributable to equity holders of the Company:					
– Basic and diluted	**(HK6.77 cents)**	(HK1.66 cents)	HK9.22 cents	HK10.72 cents	HK7.54 cents

	As at 31 March				
	2021	2020	2019	2018	2017
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and liabilities					
Non-current assets	**2,339**	3,132	186	262	690
Current assets	**208,210**	281,213	339,868	160,345	147,449
Non-current liabilities	**(842)**	(43)	–	–	–
Current liabilities	**(73,842)**	(115,922)	(125,312)	(91,583)	(117,709)
Total equity	**135,865**	168,380	214,742	69,024	30,430