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## **Yuk Wing Group Holdings Limited**

### **煜榮集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1536)**

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

The board (the “**Board**”) of directors (the “**Director(s)**”) of Yuk Wing Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2024 (the “**Reporting Period**”) together with the comparative figures for the corresponding period in 2023 as follows:

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

*For the six months ended 30 September 2024*

		<b>Six months ended 30 September</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b>HK\$’000</b>	<b>HK\$’000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	3	<b>104,620</b>	67,139
Cost of sales		<b>(79,586)</b>	(50,645)
Gross profit		<b>25,034</b>	16,494
Other income		<b>1,436</b>	1,753
(Impairment losses)/reversal of impairment losses on trade receivables under expected credit loss model, net		<b>(937)</b>	844
Other gains and losses	4	<b>5,855</b>	(2,898)
Selling and distribution expenses		<b>(6,099)</b>	(3,953)
Administrative expenses		<b>(18,094)</b>	(17,894)
Finance costs	5	<b>(691)</b>	(864)
Profit/(loss) before tax	6	<b>6,504</b>	(6,518)
Income tax expense	7	<b>(240)</b>	(454)
Profit/(loss) for the period		<b>6,264</b>	(6,972)

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

*For the six months ended 30 September 2024*

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2024</b>	<b>2023</b>
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Other comprehensive income/(expense)</b>			
<b>for the period:</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>768</u>	<u>(3,002)</u>
<b>Total comprehensive income/(expense) for the period</b>		<u><u>7,032</u></u>	<u><u>(9,974)</u></u>
<b>Profit/(loss) for the period attributable to:</b>			
Owners of the Company		5,039	(5,548)
Non-controlling interests		<u>1,225</u>	<u>(1,424)</u>
		<u><u>6,264</u></u>	<u><u>(6,972)</u></u>
<b>Total comprehensive income/(expense) for the period attributable to:</b>			
Owners of the Company		5,324	(7,137)
Non-controlling interests		<u>1,708</u>	<u>(2,837)</u>
		<u><u>7,032</u></u>	<u><u>(9,974)</u></u>
Earnings/(loss) per share, basic (HK cents)	9	<u><u>1.33</u></u>	<u><u>(1.46)</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 30 September 2024*

	<i>Notes</i>	At 30 September 2024 <i>HK\$'000</i> (Unaudited)	At 31 March 2024 <i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment		4,600	4,882
Right-of-use assets		7,921	8,976
Deferred tax assets		1,711	1,804
		<b>14,232</b>	15,662
Current assets			
Inventories		55,532	44,956
Trade and other receivables	10	79,538	74,205
Financial assets at fair value through profit or loss		24,736	20,297
Bank balances and cash		35,732	46,616
		<b>195,538</b>	186,074
Current liabilities			
Trade and other payables	11	14,521	12,489
Contract liabilities		13,751	2,821
Lease liabilities		3,490	3,330
Tax payable		124	79
Bank and other borrowings		12,000	23,000
		<b>43,886</b>	41,719
Net current assets		<b>151,652</b>	144,355
Total assets less current liabilities		<b>165,884</b>	160,017
Non-current liabilities			
Deferred tax liabilities		146	83
Lease liabilities		5,893	7,121
		<b>6,039</b>	7,204
		<b>159,845</b>	152,813
Capital and reserves			
Share capital		38,000	38,000
Reserves		90,031	84,707
Equity attributable to owners of the Company		<b>128,031</b>	122,707
Non-controlling interests		31,814	30,106
		<b>159,845</b>	152,813

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2024*

## 1. GENERAL AND BASIS OF PREPARATION

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

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2024 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2024.

### **Application of amendments to HKFRSs**

In the current interim period, the Group has applied the following revised HKFRSs issued by the HKICPA for the first time for the current period’s financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement

The application of the above revised HKFRSs in the current period has had no material impact on the Group’s results and financial position.

### 3. REVENUE AND SEGMENT INFORMATION

#### Revenue

The Group is principally engaged in (i) manufacturing and trading of down-the-hole (“DTH”) rockdrilling tools; (ii) trading of piling and drilling machineries; and (iii) trading of rockdrilling equipment.

#### Disaggregation of revenue

An analysis of the Group’s revenue from contracts with customers is as follows:

	Six months ended 30 September	
	2024	2023
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Recognised at a point in time:		
Manufacturing and trading of DTH rockdrilling tools	102,949	61,099
Trading of rockdrilling equipment	1,671	6,040
	<u>104,620</u>	<u>67,139</u>

#### Performance obligations for contracts with customers

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

#### Segment revenue and results

Information reported to the executive directors of the Company, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on the types of products sold. The Group’s reportable segment is manufacturing and trading of DTH rockdrilling tools. No operating segments identified by the CODM have been aggregated in arriving at the reportable segment of the Group.

In addition to the above reportable segment, other operating segments include (i) trading of piling and drilling machineries and (ii) trading of rockdrilling equipment, of which both operations were being reported as separate segments in prior periods. None of these segments met the quantitative thresholds for the reportable segments in both current and prior periods. Accordingly, these were grouped in “Others”. Prior period segment disclosures have been represented to conform with the current period’s presentation.

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

**For the six months ended 30 September 2024**

	Manufacturing and trading of DTH rockdrilling tools <i>HK\$'000</i> (Unaudited)	Others <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
<b>SEGMENT REVENUE</b>			
External sales	102,949	1,671	104,620
<b>RESULTS</b>			
Segment results	24,571	463	25,034
Unallocated expenses			(24,193)
Other income			1,436
Impairment losses on trade receivables under expected credit loss ("ECL") model, net			(937)
Other gains and losses			5,855
Finance costs			(691)
Profit before tax			<u>6,504</u>

**For the six months ended 30 September 2023**

	Manufacturing and trading of DTH rockdrilling tools <i>HK\$'000</i> (Unaudited)	Others <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
<b>SEGMENT REVENUE</b>			
External sales	61,099	6,040	67,139
<b>RESULTS</b>			
Segment results	17,325	(831)	16,494
Unallocated expenses			(21,847)
Other income			1,753
Reversal of impairment losses on trade receivables under ECL model, net			844
Other gains and losses			(2,898)
Finance costs			(864)
Loss before tax			<u>(6,518)</u>

The accounting policies of the operating segments are the same as the Group’s accounting policies. Segment results represent the profit or loss of each segment without allocation of unallocated expenses (including selling and distribution expenses and administrative expenses), other income, impairment losses on trade receivables under ECL model, net, other gains and losses and finance costs. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

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

### Geographical information

The following table sets out information about the Group’s revenue from external customers by the location of customers:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>HK\$’000</b>	HK\$’000
	<b>(Unaudited)</b>	(Unaudited)
Hong Kong	<b>95,031</b>	64,912
Finland	<b>607</b>	450
The People’s Republic of China (the “PRC”)	<b>5,610</b>	–
Macau	<b>1,238</b>	325
The United States	<b>52</b>	768
Others	<b>2,082</b>	684
	<b>104,620</b>	67,139

#### 4. OTHER GAINS AND LOSSES

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>HK\$’000</b>	HK\$’000
	<b>(Unaudited)</b>	(Unaudited)
Other gains and losses include the following:		
Net foreign exchange gain/(loss)	<b>1,416</b>	(1,096)
Gain/(loss) on fair value changes of financial assets at fair value through profit or loss (“FVTPL”)	<b>4,439</b>	(1,802)
	<b>5,855</b>	(2,898)

## 5. FINANCE COSTS

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	480	635
Interest on lease liabilities	211	229
	<u>691</u>	<u>864</u>

## 6. PROFIT/(LOSS) BEFORE TAX

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit/(loss) before tax has been arrived at after charging:		
Depreciation of property, plant and equipment	554	895
Capitalised in cost of inventories manufactured	(146)	(216)
	<u>408</u>	<u>679</u>
Depreciation of right-of-use assets	1,066	1,264
Capitalised in cost of inventories manufactured	(750)	(737)
	<u>316</u>	<u>527</u>
Cost of inventories recognised as expense	79,586	50,645
Expense relating to short-term leases	1,188	787
	<u>1,188</u>	<u>787</u>



## 7. INCOME TAX EXPENSE

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The charge comprises:		
Current tax:		
Hong Kong	<u>(84)</u>	<u>(65)</u>
	<u>(84)</u>	<u>(65)</u>
Under-provision in prior years:		
PRC Enterprise Income Tax	<u>–</u>	<u>(380)</u>
	<u>–</u>	<u>(380)</u>
	<u>(84)</u>	<u>(445)</u>
Deferred tax charge	<u>(156)</u>	<u>(9)</u>
	<u>(240)</u>	<u>(454)</u>

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (six months ended 30 September 2023: 16.5%) to the current interim period, except for one subsidiary of the group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profit is taxed at 8.25% and the remaining assessable profit is taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in the prior interim period.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the PRC Enterprise Income Tax is calculated at 25% of the assessable profit for the subsidiary established in the PRC. The subsidiary was awarded with the High and New-Tech Enterprise and entitled to a preferential tax rate of 15% for both periods. No provision for PRC Enterprise Income Tax has been made as the relevant subsidiary has no assessable profits for the current period.

## 8. DIVIDENDS

The board of directors of the Company does not recommend the payment of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: nil).

## 9. EARNINGS/(LOSS) PER SHARE

	Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Earnings/(loss):		
Earnings/(loss) for the purpose of calculating basic earnings/(loss) per share:		
Profit/(loss) for the period attributable to owners of the Company	<u>5,039</u>	<u>(5,548)</u>
	<i>'000</i>	<i>'000</i>
Number of shares:		
Number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	<u>380,000</u>	<u>380,000</u>

No diluted earnings/(loss) per share is presented since there were no potential ordinary shares in issue during both periods.

## 10. TRADE AND OTHER RECEIVABLES

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

	At 30 September 2024 <i>HK\$'000</i> (Unaudited)	At 31 March 2024 <i>HK\$'000</i> (Audited)
0 to 30 days	15,803	14,262
31 to 60 days	6,675	9,300
61 to 90 days	3,917	11,019
91 to 180 days	4,842	5,557
181 days to 1 year	4,247	5,719
Over 1 year	<u>9,244</u>	<u>7,427</u>
	<u>44,728</u>	<u>53,284</u>

The Group rebutted the presumption of default under ECL model for trade receivables over 90 days past due based on the good repayment records for those customers and continuous business with the Group.

## 11. TRADE AND OTHER PAYABLES

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

	<b>At 30 September 2024 <i>HK\$'000</i> (Unaudited)</b>	<b>At 31 March 2024 <i>HK\$'000</i> (Audited)</b>
0 to 30 days	<b>6,460</b>	3,444
31 to 60 days	<b>3,104</b>	2,090
91 to 180 days	<b>1,380</b>	2,407
Over 1 year	<b>19</b>	19
	<b><u>10,963</u></b>	<b><u>7,960</u></b>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

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

During the Reporting Period, the market activities in Hong Kong has increased, leading to more construction activities and projects available in the Hong Kong market. The revenue generated from our Mainland China and international customers have increased during the Reporting Period. There has been an increase in business activities in the Macau market, which has led to an increase in contribution to revenue during the Reporting Period. As a result, our Group's revenue and gross profit increased as our local and international customers have increased their purchases for our products, resulted in a profit position during the Reporting Period.

Hong Kong continues to be the Group's major market, where the revenue generated from Hong Kong contributed to approximately HK\$95.0 million for the Reporting Period (six months ended 30 September 2023: approximately HK\$64.9 million), or approximately 90.8% of the total revenue during the Reporting Period (six months ended 30 September 2023: approximately 96.7%). The business activities in Macau have increased, where the revenue generated from Macau contributed to approximately HK\$1.2 million for the Reporting Period (six months ended 30 September 2023: approximately HK\$0.3 million), or approximately 1.2% of the total revenue during the Reporting Period (six months ended 30 September 2023: approximately 0.5%). Business activities in the Scandinavia region has increased, where the revenue generated from the Scandinavia region contributed to approximately HK\$0.6 million for the Reporting Period (six months ended 30 September 2023: approximately HK\$0.5 million), or approximately 0.6% of the total revenue during the Reporting Period (six months ended 30 September 2023: approximately 0.7%).

### **Manufacturing and Trading of DTH Rockdrilling Tools**

The Group is principally engaged in the manufacturing and trading of DTH rockdrilling tools. Our self-designed and manufactured DTH rockdrilling tools can be categorised into the following main categories, namely DTH hammers, casing systems (comprising driver bits and casing bits), and other miscellaneous products including button bits and bit openers, as well as our newly developed products, drill pipes, cluster drills and casing tubes. Revenue from the manufacturing and trading of DTH rockdrilling tools contributed to approximately 98.4% of the total revenue during the Reporting Period (six months ended 30 September 2023: approximately 91.0%).

## **Trading of Piling and Drilling Machineries and Rockdrilling Equipment**

The Group is also engaged in the trading of piling and drilling machineries and rockdrilling equipment to our customers as part of our technical rockdrilling solutions. There was no revenue from the trading of piling and drilling machineries during the Reporting Period and for the six months ended 30 September 2023. Revenue from the trading of rockdrilling equipment, contributed to approximately 1.6% of the total revenue during the Reporting Period (six months ended 30 September 2023: approximately 9.0%).

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue increased by approximately HK\$37.5 million, or 55.8%, to approximately HK\$104.6 million for the Reporting Period, from approximately HK\$67.1 million for the six months ended 30 September 2023, primarily due to the increase in business activities in Hong Kong during the Reporting Period, leading to a relatively higher level of construction activities and available projects when compared with the six months ended 30 September 2023, resulting in a higher than expected demand for our products.

### **Gross Profit and Gross Profit Margin**

The Group's gross profit increased by approximately HK\$8.5 million, or 51.8%, to approximately HK\$25.0 million for the Reporting Period, from approximately HK\$16.5 million for the six months ended 30 September 2023, primarily attributable to the general increase in demand for our products to our customers due to the increase in market activities in the Hong Kong market.

Gross profit margin was approximately 23.9% for the Reporting Period (for the six months ended 30 September 2023: approximately 24.6%).

### **Selling and Distribution Expenses**

The Group's selling and distribution expenses increased by approximately HK\$2.1 million, or 54.3%, to approximately HK\$6.1 million for the Reporting Period, from approximately HK\$4.0 million for the six months ended 30 September 2023, mainly due to the increase in declaration charges and freight, transportation and storage costs as a result of the increase in business activities during the Reporting Period.

## **Administrative Expenses**

The Group's administrative expenses increased by approximately HK\$0.2 million, or 1.1%, to approximately HK\$18.1 million for the Reporting Period, from approximately HK\$17.9 million for the six months ended 30 September 2023, primarily due to the increase in rental expenses and repairs and maintenance expenses, set off with the decrease in staff related expenses during the Reporting Period.

## **Net Profit/(Loss)**

The Group recorded a net profit of approximately HK\$6.3 million (for the six months ended 30 September 2023: net loss of approximately HK\$7.0 million) for the Reporting Period. The increase in net profit was mainly attributable to the increase in revenue and gross profit during the Reporting Period as explained above, together with the increase in gain on fair value changes of financial assets at fair value through profit or loss, set off with the increase in rental expenses, repairs and maintenance expenses, and impairment losses on trade receivables under expected credit loss model during the Reporting Period.

## **PROSPECTS**

During the Reporting Period, the Group continued to develop its various business and geographical segments. In Hong Kong and at the international level, there has been an increase in market activities.

It is anticipated that the market conditions in Hong Kong and internationally will remain positive for the remainder of the year.

Overall, the Group remains cautiously positive towards the future of the construction market and the business of the Group in Hong Kong and internationally, and will continue its efforts to capture business opportunities in Hong Kong, Macau and the overseas markets.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 September 2024, the Group's total cash and cash equivalents amounted to approximately HK\$35.7 million of which approximately 76.3%, 19.4%, 4.1% and 0.2% of the cash and cash equivalents were denominated in Hong Kong dollar, Renminbi, United States dollar and Euro, respectively (31 March 2024: approximately HK\$46.6 million of which approximately 87.52%, 10.58%, 1.89% and 0.01% of the cash and cash equivalents were denominated in Hong Kong dollar, Renminbi, United States dollar and Euro respectively).

As at 30 September 2024, the Group had no bank borrowing. As at 31 March 2024, the Group had bank borrowings of approximately HK\$10.0 million with variable interest rate, which were repayable within one year and were guaranteed by the Company. As at 30 September 2024, the Group's other borrowing of approximately HK\$12.0 million (31 March 2024: approximately HK\$13.0 million) had fixed interest rate of 1.0% (31 March 2023: 1.0%) per annum and was repayable within one year, which was unsecured. As at 31 March 2024, the Group's bank borrowings were denominated in Hong Kong dollar. As at 30 September 2024 and 31 March 2024, the Group's other borrowing was denominated in Hong Kong dollar.

The gearing ratio of the Group as at 30 September 2024 (defined as the Group's total interest-bearing liabilities divided by the Group's total equity) was approximately 13.4% (31 March 2024: approximately 21.9%). The decrease in gearing ratio was mainly due to the decrease in bank borrowings during the Reporting Period.

## **CAPITAL STRUCTURE**

As at 30 September 2024, the Company's issued share capital was HK\$38,000,000 and the number of its issued ordinary shares was 380,000,000 of HK\$0.1 each.

There has been no change in the capital structure of the Group during the six months ended 30 September 2023 and 2024.

On 30 October 2024, the placing under the placing agreement was completed, and 76,000,000 placing shares were allotted and issued. The number of its issued ordinary shares increased to 456,000,000 after the completion of the placing. Details of the placing are set out in the Company's announcements dated 9 October 2024 and 30 October 2024, and in the events after the reporting period of this announcement.

After the approval from the shareholders obtained at the extraordinary general meeting of the Company on 15 November 2024, the authorised share capital of the Company increased from HK\$50,000,000 divided into 500,000,000 shares of HK\$0.10 each to HK\$2,000,000,000 divided into 20,000,000,000 shares of HK\$0.10 each. Details of the increase in authorised share capital have been disclosed in the circular of the Company dated 29 October 2024 and the announcement of the Company dated 15 November 2024.

## **CHARGE ON GROUP ASSETS**

As at 30 September 2024, there were no charge on group assets. As at 31 March 2024, the Group had bank borrowings of approximately HK\$10.0 million which were guaranteed by the Company.

## **CASH FLOW MANAGEMENT AND LIQUIDITY RISK**

The Group's objective regarding cash flow management is to maintain a balance between continuity of funding and flexibility through a combination of internal resources, bank borrowings, and other debt or equity securities, as appropriate. The Group is comfortable with the present financial and liquidity position, and will continue to maintain a reasonable liquidity buffer to ensure sufficient funds are available to meet liquidity requirements at all times.

## **CONTINGENT LIABILITIES**

The Group did not have any material contingent liability as at 30 September 2024.

## **CAPITAL COMMITMENTS**

As at 30 September 2023 and 2024, the Group had no capital commitments.

## **SEGMENT INFORMATION**

Details of segment information of the Group for the six months ended 30 September 2024 are set out in note 3 to the condensed consolidated financial statements.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS**

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

## **PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

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

## **FOREIGN EXCHANGE RISK**

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



## **EVENTS AFTER THE REPORTING PERIOD**

- a. On 9 October 2024, the Company and the placing agent had entered into the placing agreement, pursuant to which up to 76,000,000 placing shares would be allotted and issued to no less than six placees at the placing price of HK\$0.0850 per placing share. The net proceeds from the placing, after deduction of the commission payable to the placing agent, professional fee and other related costs and expenses incurred in the placing, amounted to approximately HK\$6.14 million. The placing was completed on 30 October 2024. Details of the placing are set out in the Company's announcements dated 9 October 2024 and 30 October 2024.
- b. After the approval from the shareholders obtained at the extraordinary general meeting of the Company on 15 November 2024, the authorised share capital of the Company increased from HK\$50,000,000 divided into 500,000,000 shares of HK\$0.10 each to HK\$2,000,000,000 divided into 20,000,000,000 shares of HK\$0.10 each. Details of the increase in authorised share capital have been disclosed in the circular of the Company dated 29 October 2024 and the announcement of the Company dated 15 November 2024.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2024, the Group had 91 employees (30 September 2023: 87 employees) in Hong Kong and the PRC. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance, and individual qualifications and performance. Other staff benefits include bonuses awarded on discretionary basis, mandatory provident fund scheme for Hong Kong employees, and state-sponsored retirement plans for PRC employees. The Group also offers a variety of training schemes to its employees.

## **INTERIM DIVIDEND**

The Board does not recommend the distribution of an interim dividend for the Reporting Period.

## **COMPLIANCE OF THE CODE**

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

In accordance with Code Provision C.2.1, the roles of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Ms. Woo Lan Ying has been the chief executive officer of the Company since 2 July 2024. The Company currently does not have any officer with the title of chairman. The functions of chairman were performed by the Executive Directors. Notwithstanding the aforementioned, the Board will review the current structure from time to time and as and when appropriate if candidate with suitable leadership, knowledge, skills and experience is identified, the Company may make the necessary modification to the management structure.

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

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as provided in Appendix C3 of the Listing Rules as the Company’s code of conduct for regulating securities transactions by Directors. Upon specific enquiry conducted by the Company, all of the existing Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the Reporting Period.

## REVIEW OF FINANCIAL STATEMENTS

The condensed consolidated financial statements of the Group as set out in this announcement had not been audited nor reviewed by the Group’s auditor, Baker Tilly Hong Kong Limited, but had been reviewed by the Audit and Compliance Committee of the Company (the “**Audit and Compliance Committee**”).

## AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee has reviewed the unaudited condensed consolidated financial statements for the Reporting Period and considered that the Company has adopted applicable accounting policies and made adequate disclosures in relation to preparation of relevant results.

The Audit and Compliance Committee consists of three members, namely Mr. Cheung Sze Ming, Mr. Wong Siu Keung Joe and Mr. Yiu To Wa, each of them is an Independent Non-executive Director. The chairman of the Audit and Compliance Committee is Mr. Wong Siu Keung Joe, who possesses appropriate professional and accounting qualifications.

By order of the Board  
**Yuk Wing Group Holdings Limited**  
**Li Kai Lai Miranda**  
*Executive Director*

Hong Kong, 22 November 2024

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

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