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**Yield Go Holdings Ltd.**  
**耀高控股有限公司**

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

**(Stock Code: 1796)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

**FINANCIAL HIGHLIGHTS**

- Revenue of the Group for the six months ended 30 September 2020 amounted to approximately HK\$144.3 million (six months ended 30 September 2019: approximately HK\$228.1 million).
- Gross loss margin for the six months ended 30 September 2020 was at approximately 16.7% (gross profit margin for the six months ended 30 September 2019: approximately 5.9%).
- Loss before income tax of the Group for the six months ended 30 September 2020 was approximately HK\$26.6 million (profit before income tax of the Group for the six months ended 30 September 2019: approximately HK\$4.7 million).
- Loss attributable to equity holders of the Company for the six months ended 30 September 2020 amounted to approximately HK\$26.6 million (profit attributable to equity holders of the Company for the six months ended 30 September 2019: approximately HK\$3.7 million).
- Basic and diluted loss per share for the six months ended 30 September 2020 amounted to approximately HK5.53 cents (basic and diluted earnings per share for the six months ended 30 September 2019: approximately HK0.78 cents).
- The Board has resolved not to declare any interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Yield Go Holdings Ltd. (the “**Company**”) is pleased to present the unaudited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2020, together with the comparative figures for the corresponding six months ended 30 September 2019.

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

For the six months ended 30 September 2020

	Notes	Six months ended 30 September	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
<b>Revenue</b>	4	<b>144,341</b>	228,059
Direct costs		<u>(168,475)</u>	<u>(214,513)</u>
<b>Gross (loss)/profit</b>		<b>(24,134)</b>	13,546
Other gains/(losses) – net	5	<b>5,352</b>	(34)
Administrative and other operating expenses		<b>(6,931)</b>	(7,752)
Finance costs	6	<u><b>(907)</b></u>	<u>(1,072)</u>
<b>(Loss)/Profit before income tax</b>	7	<b>(26,620)</b>	4,688
Income tax credit/(expense)	8	<u><b>68</b></u>	<u>(946)</u>
<b>(Loss)/Profit and total comprehensive (expenses)/income for the period attributable to equity holders of the Company</b>		<u><b>(26,552)</b></u>	<u>3,742</u>
<b>(Loss)/Earnings per share attributable to equity holders of the Company</b>		<b>HK cents</b>	<b>HK cents</b>
– Basic and diluted	10	<u><u><b>(5.53)</b></u></u>	<u><u>0.78</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

		As at 30 September 2020 <i>HK\$'000</i> (unaudited)	As at 31 March 2020 <i>HK\$'000</i> (audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,107	1,655
Right-of-use assets		704	1,442
Deferred tax assets		129	35
		<u>1,940</u>	<u>3,132</u>
<b>Current assets</b>			
Trade and other receivables	11	46,608	56,686
Contract assets		169,462	194,381
Cash and bank balances		28,405	25,267
Restricted cash	12	3,046	3,046
Tax recoverable		1,807	1,833
		<u>249,328</u>	<u>281,213</u>
<b>Current liabilities</b>			
Trade and other payables	13	54,671	50,993
Contract liabilities		5,987	15,654
Bank borrowings		48,054	43,244
Amount due to a director		–	4,600
Lease liabilities		711	1,431
		<u>109,423</u>	<u>115,922</u>
<b>Net current assets</b>		<u>139,905</u>	<u>165,291</u>
<b>Total assets less current liabilities</b>		<u>141,845</u>	<u>168,423</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(CONTINUED)**

*As at 30 September 2020*

		<b>As at 30 September 2020 <i>HK\$'000</i> (unaudited)</b>	As at 31 March 2020 <i>HK\$'000</i> (audited)
	<i>Notes</i>		
<b>Non-current liability</b>			
Lease liabilities		<u>17</u>	<u>43</u>
<b>Net assets</b>		<u>141,828</u>	<u>168,380</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	14	<b>4,800</b>	4,800
Reserves		<u>137,028</u>	<u>163,580</u>
<b>Total equity</b>		<u><b>141,828</b></u>	<u>168,380</u>

## NOTES

### 1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing**”) with effect from 31 December 2018. The addresses of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is Unit 8, 39/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong.

The Company is an investment holding company and the Group are principally engaged in fitting-out services and supply of fitting-out materials.

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

### 2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 September 2020 have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange and Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The condensed consolidated interim financial statements do not include all of the information and disclosures required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 March 2020.

The condensed consolidated interim financial statements are unaudited, but has been reviewed by the Company’s independent auditor, Grant Thornton Hong Kong Limited.

The condensed consolidated interim financial statements are presented in thousands of units of Hong Kong dollars (“**HK\$’000**”), except when otherwise indicated.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements for the six months ended 30 September 2020 have been prepared in accordance with the accounting policies adopted in the Group’s annual consolidated financial statements for the year ended 31 March 2020, except for the adoption of the following new and amended HKFRSs effective as of 1 April 2020.

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

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

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

## Amendments to HKFRS 16 “Covid-19-Related Rent Concessions”

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

The Group has elected to early adopt the amendments and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the interim reporting period. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred (included in other gains in note 5). There is no impact on the opening balance of equity at 1 April 2020.

## 4. REVENUE

The Group’s principal activities are disclosed in note 1 of the condensed consolidated interim financial statements.

Revenue recognised for the six months ended 30 September 2020 and 2019 are as follows:

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

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

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

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

	<b>Six months ended 30 September</b>	
	<b>2020</b>	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(unaudited)</b>	(unaudited)
Customer A <sup>1</sup>	<b>84,290</b>	142,814
Customer B <sup>1</sup>	<b>26,550</b>	N/A <sup>2</sup>
Customer C	<b>24,984</b>	34,999
	<b><u>135,824</u></b>	<u>172,813</u>

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

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

#### 5. OTHER GAINS/(LOSSES) – NET

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

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

#### 6. FINANCE COSTS

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

7. (LOSS)/PROFIT BEFORE INCOME TAX

	Six months ended 30 September	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
(Loss)/Profit before income tax is arrived at after charging:		
<b>(a) Staff costs (including directors' remuneration) (note (i))</b>		
Salaries, wages and other benefits	14,263	21,924
Contributions to defined contribution retirement plans	599	963
	<u>14,862</u>	<u>22,887</u>
<b>(b) Other items</b>		
Depreciation, included in:		
Direct costs		
– Owned assets	15	11
Administrative expenses		
– Owned assets	533	482
– Right-of-use assets	738	712
	<u>1,286</u>	<u>1,205</u>
Subcontracting charges (included in direct costs)	114,802	150,703
Cost of materials and finished goods	40,419	41,059
Auditors' remuneration	200	200
Short term lease with lease term less than 12 months in respect of machinery and equipment	67	251
Short term lease with lease term less than 12 months in respect of warehouse	–	107
	<u>–</u>	<u>107</u>
<i>Note (i): Staff costs (including directors' remuneration) included in:</i>		
Direct costs	11,725	19,316
Administrative expenses	3,137	3,571
	<u>14,862</u>	<u>22,887</u>
	<u><u>14,862</u></u>	<u><u>22,887</u></u>



## 8. INCOME TAX (CREDIT)/EXPENSE

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

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

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

## 9. DIVIDENDS

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

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

## 10. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 September	
	2020 (unaudited)	2019 (unaudited)
(Loss)/Profit attributable to equity holders of the Company (HK\$'000)	(26,552)	3,742
Weighted average number of ordinary shares in issue (in thousands)	<u>480,000</u>	<u>480,000</u>
Basic (loss)/earnings per share (HK cents)	<u>(5.53)</u>	<u>0.78</u>

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

## 11. TRADE AND OTHER RECEIVABLES

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

*Notes:*

### (a) Trade receivables

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

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

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

**(b) Retention receivables**

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

The Group generally allows 3% to 10% of total contract price of its contracts as retention, which are unsecured, interest-free and recoverable at the completion of the defects liability period of individual contracts which range from 12 months to 24 months from the date of the completion of the respective contract.

The due date for settlement of the Group's retention receivables based on the completion of defects liability period are as follows:

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

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

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

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

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

**12. 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.

### 13. TRADE AND OTHER PAYABLES

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

*Notes:*

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

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

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

### 14. SHARE CAPITAL

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Overview

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

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

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

### Business Review and Outlook

The Group is an established fitting-out contractor in Hong Kong with over 24 years of experience since the establishment of one of its principal operating subsidiaries, Hoi Sing Decoration Engineering Company Limited ("**Hoi Sing Decoration**"), in 1995. The Group's fitting-out services cover both (i) fitting-out works conducted on new buildings; and (ii) interior renovation works on existing buildings that involve upgrades, makeovers and demolition of existing works. Hoi Sing Decoration and Milieu Wooden Company Limited are registered under the voluntary Subcontractor Registration Scheme of the Construction Industry Council. Such services are mainly provided to residential and commercial properties in Hong Kong on a project basis.

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

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

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

## **Financial Review**

### ***Revenue***

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

### ***Gross (loss)/profit and gross (loss)/profit margin***

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

### ***Other gains/(losses) – net***

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

### ***Administrative expenses and other operating expenses***

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

### ***Finance costs***

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

### ***Net (loss)/profit***

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

### **Liquidity, Financial Resources and Capital Structure**

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

As at 30 September 2020, the Company's issued capital was HK\$4.8 million and the number of issued ordinary shares of the Company (the "Shares") was 480,000,000 Shares of HK\$0.01 each.

As at 30 September 2020, the Group had total cash and cash equivalents and restricted cash of approximately HK\$31.5 million (31 March 2020: approximately HK\$28.3 million). The increase was due to the aggregate net cash generated in operating, investing and financing activities of approximately HK\$3.2 million.

The Group's gearing ratio, calculated as total interest-bearing liabilities and amount due to a director divided by the total equity, increased from approximately 29.3% as at 31 March 2020 to approximately 34.4% as at 30 September 2020. The increase was primarily due to increase in bank borrowings during the six months ended 30 September 2020.

## Treasury Policy

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

## Pledge of Assets

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

## Foreign Exchange Exposure

As the Group only operates in Hong Kong and all of the revenue and transactions arising from its operations were settled in Hong Kong dollar, the Directors are of the view that the Group's foreign exchange rate risks are insignificant. Thus, the Group has not entered into any derivative contracts to hedge against the foreign exchange rate risk for the six months ended 30 September 2020.

## Capital Commitments and Contingent Liabilities

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

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

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

## Significant Investment, Material Acquisitions or Disposals of Subsidiaries and Associated Companies

During the six months ended 30 September 2020, the Group did not have any significant investment held, any material acquisitions or disposals of subsidiaries or associated companies.



## Future Plans for Material Investments or Capital Assets

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

## Use of Proceeds

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

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

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

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

## **Employees and Remuneration Policy**

As at 30 September 2020, the Group employed a total of 69 full-time employees (including three executive Directors but excluding three independent non-executive Directors) (As at 31 March 2020: 73). The remuneration packages that the Group offers to employees includes salary, discretionary bonuses and other cash subsidies. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of its decisions with respect to salary raises, bonuses and promotions. The total staff cost incurred by the Group for the six months ended 30 September 2020 was approximately HK\$14.9 million (six months ended 30 September 2019: HK\$22.9 million).

The remuneration of the Directors is decided by the Board upon the recommendation from the remuneration committee of the Company having regard to the Group's operating results, individual performance and comparable market statistics.

## **Interim Dividends**

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: nil).

## **CORPORATE GOVERNANCE CODE/OTHER INFORMATION**

### **Compliance with the Corporate Governance Code**

The Company has adopted the corporate governance code (the "**CG Code**") contained in Appendix 14 to the Listing Rules. The Company has complied with all the code provisions set out in the CG Code during the six months ended 30 September 2020 and up to the date of this announcement.

### **Compliance with the 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 six months ended 30 September 2020 and up to the date of this announcement.

## **Share Option Scheme**

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 6 December 2018. The principal terms of the Share Option Scheme are summarised in Appendix IV to the Prospectus. The purpose of the Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group. The maximum number of Shares in respect of which share options may be granted under the Share Option Scheme and any other schemes shall not, in aggregate, exceed 48,000,000 Shares (representing 10% of the Share in issue as at the date of this announcement), unless otherwise approved by the shareholders of the Company. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 6 December 2018, and there is no outstanding share option as at 30 September 2020.

## **Competing Interests**

Neither the Directors nor the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group’s business which competes or is likely to compete, directly or indirectly, with the Group’s business during the six months ended 30 September 2020, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

## **Purchase, Sale or Redemption of the Company’s Securities**

During the six months ended 30 September 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities.

## **Event after the reporting period**

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

## **Sufficiency of Public Float**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the Listing Rules during the six months ended 30 September 2020 and up to the date of this announcement.

## **Audit Committee Review**

The Company established an audit committee (the “**Audit Committee**”) on 28 December 2018 in accordance with Rule 3.21 of the Listing Rules with the written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The Audit Committee consists of three independent non- executive Directors, namely Mr. Chan Ka Yu, Mr. Lo Ki Chiu and Mr. Leung Wai Lim. Mr. Chan Ka Yu currently serves as the chairman of the Audit Committee.

The Group’s unaudited condensed consolidated interim financial statements for the six months ended 30 September 2020 have been reviewed and approved by the Audit Committee. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

## **Review of Interim Results**

The Group’s interim results for the six months ended 30 September 2020 have not been audited, but have been reviewed by the auditor of the Company, Grant Thornton Hong Kong Limited, in accordance with Hong Kong Standard on Review Engagement 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. Based on their review and discussions with the management, the Audit Committee was satisfied that the interim results were prepared in accordance with applicable accounting standards that fairly present the Group’s financial position and results for the six months ended 30 September 2020.

## **Publication of Interim Results Announcement and Interim Report**

This interim results announcement is published on the Company’s website at [www.yield-go.com](http://www.yield-go.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The 2020 interim report for the six months ended 30 September 2020 will be dispatched to shareholders of the Company and available on the same websites in due course.

## **Appreciation**

The Board would like to take this opportunity to express its sincere gratitude to the management team and staff for their hard work and contributions, and to our shareholders, investors and business partners for their trust and support.

By order of the Board  
**Yield Go Holdings Ltd.**  
**Man Hoi Yuen**  
*Chairman and Executive Director*

Hong Kong, 27 November 2020

*As at the date of this announcement, the Board comprises Mr. Man Hoi Yuen, Ms. Ng Yuen Chun and Mr. Ho Chi Hong as executive Directors; and Mr. Chan Ka Yu, Mr. Lo Ki Chiu and Mr. Leung Wai Lim as independent non-executive Directors.*