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## **SHEUNG YUE GROUP HOLDINGS LIMITED**

### **上諭集團控股有限公司**

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

**(Stock Code: 1633)**

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Sheung Yue Group Holdings Limited (the “**Company**”) is pleased to present the annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2024 (the “**Year**”), together with the comparative audited figures for the year ended 31 March 2023 (the “**Previous Year**”).

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

*FOR THE YEAR ENDED 31 MARCH 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	4	<b>361,257</b>	315,136
Cost of services		<b>(330,009)</b>	(280,741)
Gross profit		<b>31,248</b>	34,395
Other income	4	<b>3,378</b>	7,094
Other net losses		<b>(944)</b>	(1,632)
Administrative expenses		<b>(23,874)</b>	(24,866)
Profit from operation	5	<b>9,808</b>	14,991
Finance costs	6	<b>(5,522)</b>	(4,155)
Profit before taxation		<b>4,286</b>	10,836
Income tax	8	<b>–</b>	–
Profit and total comprehensive income for the year attributable to owners of the Company		<b>4,286</b>	10,836
		<i>HK cents</i>	<i>HK cents</i>
<b>Earnings per share</b>	10		
– Basic and diluted		<b>0.63</b>	1.58

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*AS AT 31 MARCH 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>86,013</b>	92,846
Right-of-use assets		<b>11,199</b>	14,093
Financial asset at fair value through profit or loss		<b>2,860</b>	2,860
Rental deposit	11	<b>643</b>	520
Deposit paid for acquisition of machineries	11	<b>–</b>	2,250
		<u><b>100,715</b></u>	<u>112,569</u>
<b>Current assets</b>			
Inventories		<b>14,477</b>	14,037
Contract assets		<b>118,825</b>	70,799
Trade and other receivables	11	<b>102,979</b>	85,375
Pledged bank deposits		<b>2,014</b>	–
Cash and cash equivalents		<b>17,307</b>	29,106
		<u><b>255,602</b></u>	<u>199,317</u>
<b>Current liabilities</b>			
Trade and other payables	12	<b>60,499</b>	37,510
Lease liabilities		<b>4,977</b>	7,071
Bank and other loans		<b>105,938</b>	85,042
		<u><b>171,414</b></u>	<u>129,623</u>
<b>Net current assets</b>		<u><b>84,188</b></u>	<u>69,694</u>
<b>Total assets less current liabilities</b>		<u><b>184,903</b></u>	<u>182,263</u>
<b>Non-current liabilities</b>			
Lease liabilities		<b>3,519</b>	2,030
Bank and other loans		<b>–</b>	3,135
		<u><b>3,519</b></u>	<u>5,165</u>
<b>NET ASSETS</b>		<u><b>181,384</b></u>	<u>177,098</u>
<b>Equity</b>			
Share capital		<b>6,848</b>	6,848
Reserves		<b>174,536</b>	170,250
<b>TOTAL EQUITY</b>		<u><b>181,384</b></u>	<u>177,098</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

## 1. GENERAL

The Company was incorporated in the Cayman Islands on 23 March 2016, as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is located at the offices of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is Units 103-105, 1st Floor, New East Ocean Centre, 9 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong.

The Company, an investment holding company, and its subsidiaries (together referred to as the “Group”) are principally engaged in the provision of foundation works including piling construction, ELS works, pile cap construction, site formation and ancillary services in Hong Kong and Macau.

The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated. Each entity in the Group maintains its books and records in its own functional currency.

As at 31 March 2024 and 2023, the directors consider the immediate and ultimate holding company of the Company to be Creative Elite Global Limited, which incorporated in British Virgin Islands.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS”)

### 2.1 New and amendments to HKFRSs that are mandatorily effective on 1 April 2023

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (issued by the HKICPA on 4 Jan 2018)	Insurance Contracts
Amendments to HKFRS 17 (issued on 25 June 2020 by the IASB and issued on 19 October 2020 by the HKICPA)	Insurance Contracts
Amendment to HKFRS 17 (issued on 9 December 2021 by the IASB and issued on 25 February 2022 by the HKICPA)	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information

Amendments to HKAS 1 (issued on 20 April 2021 by the HKICPA and issued on 12 February 2021 by the IASB)	Disclosure of Accounting Policies
Amendments to HKAS 8 (issued on 20 April 2021 by the HKICPA and issued on 12 February 2021 by the IASB)	Definition of Accounting Estimates
Amendments to HKAS 12 (issued on 8 June 2021 by the HKICPA and issued on 7 May 2021 by the IASB)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendment to HKAS 12 (issued on 21 July 2023 by the HKICPA and 23 May 2023 by the IASB)	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)

The application of the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summaries the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements, so as not to obscure the material accounting policy information disclosed in notes to the consolidated financial statement.

## 2.2 New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 16 (issued on 22 Sep 2022 by the IASB and issued on 1 November 2022 by the HKICPA)	Lease Liability in a Sale and Leaseback	Annual periods beginning on or after 1 January 2024
Amendments to HKAS 1 Presentation of Financial Statements (issued on 14 August 2020 by the HKICPA and issued by the IASB on 23 January 2020)	Classification of Liabilities as Current or Non-current	Annual periods beginning on or after 1 January 2024
Amendments to HKAS 1 (issued on 15 Dec 2022 by the HKICPA and issued on 31 Oct 2022 by the IASB)	Non-current Liabilities with Covenants	Annual periods beginning on or after 1 January 2024
Amendments to HKAS 7 and HKFRS 7 (issued on 21 July 2023 by the HKICPA and 25 May 2023 by the IASB)	Supplier Finance Arrangements	Annual periods beginning on or after 1 January 2024
Amendments to HKAS 21 (issued on 25 Sep 2023 by the HKICPA and on 15 Aug 2023 by the IASB)	Lack of Exchangeability	Annual periods beginning on or after 1 January 2025

The directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 3. SEGMENT INFORMATION

#### (i) Operating segments

The chief operating decision maker (“CODM”) has been identified as the executive directors who review the Group’s internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The CODM assesses the performance based on a measure of profit after income tax and considers all businesses to be included in a single operating segment.

The Group was principally engaged in provision of foundation works including piling construction, ELS works, pile cap construction, site formation and ancillary services in Hong Kong and Macau. Information reported to the Group’s CODM, for the purpose of resources allocation and performance assessment, focuses on the operating results and financial position of the Group as a whole, as the Group’s resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

#### (ii) Geographical information

All of the Group’s revenue was derived from Hong Kong, based on the location of the customers, and all of its non-current assets were located in Hong Kong, based on the location of assets. Therefore, no geographical information is presented.

#### (iii) Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group’s total revenue during the year is as follows:

	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Customer A	54,551	85,978
Customer B	–	78,382
Customer C	166,955	49,901
Customer D	11,900*	35,242
Customer E	37,972	–*
Customer F	35,657*	–*

\* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

#### 4. REVENUE AND OTHER INCOME

##### (a) Revenue

The Group's revenue represents amount received and receivable from contract work performed and recognised during the year.

##### (b) Other income

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest income on bank deposits	<u>52</u>	<u>7</u>
Total interest income from financial assets that are not at fair value through profit or loss	52	7
Rental income	1,139	3,431
Government grant	–	2,792
Income from sale of scrap materials	–	121
Income from the staff outsourcing	2,187	649
Sundry income	<u>–</u>	<u>94</u>
	<u><u>3,378</u></u>	<u><u>7,094</u></u>



## 5. PROFIT FROM OPERATION

The Group's profit from operation has been arrived at after charging:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor's remuneration	480	480
Depreciation		
– Property, plant and equipment	22,105	21,185
– Right-of-use assets	6,963	6,786
	<u>29,068</u>	<u>27,971</u>
Expenses related to short term leases	41,032	18,211
Staff costs (including directors' remuneration) ( <i>Note 7</i> )	65,394	60,588

## 6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on lease liabilities	365	566
Interest on bank overdrafts	55	48
Interest on bank and other loans	5,102	3,541
	<u>5,522</u>	<u>4,155</u>

## 7. STAFF COSTS (INCLUDING DIRECTORS' REMUNERATION)

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Salaries and allowances	62,398	57,949
Contribution to defined contribution retirement plan	1,431	1,438
Performance related bonuses	1,565	1,201
	<u>65,394</u>	<u>60,588</u>

## 8. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Income tax	—	—

*Notes:*

- (i) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.
- (ii) Under the two-tiered profits tax rate regime of Hong Kong Profits Tax, the first HK\$2 million of profits of a qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

For the year ended 31 March 2024, Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits of one of the subsidiaries of the Company and at 16.5% on the estimated assessable profits above HK\$2,000,000 of that subsidiary. The profits of other group entities not qualified for the two-tier profits tax regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been provided for the years ended 31 March 2024 and 2023 as the Group has no assessable profit for the year and the previous year.

- (iii) Macau Complementary Income Tax is calculated at 12% (2023: 12%) of the estimated assessable profits for the year ended 31 March 2024.

No Macau Complementary Income Tax has been provided since there were no assessable profit generated for the years ended 31 March 2024 and 2023.

## 9. DIVIDENDS

No dividend was paid or proposed for both years, nor has any dividend been proposed since the year ended 31 March 2024 to the date of this announcement.

## 10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Earnings</b>		
Profit for the year attributable to owners of the Company	<u>4,286</u>	<u>10,836</u>
	2024 <i>'000</i>	2023 <i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share ( <i>Note</i> )	<u>684,750</u>	<u>684,750</u>

*Note:*

Weighted average number of ordinary shares for the years ended 31 March 2024 and 2023 are based on the number of ordinary shares in issue throughout the year.

Diluted earnings per share is same as basic earnings per share during the years ended 31 March 2024 and 2023. There was no potential dilutive ordinary shares.

## 11. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables ( <i>note (a)</i> )	16,734	31,545
Advances to subcontractors ( <i>note (b)</i> )	84,854	48,370
Other receivables	528	1,712
Prepayments and deposits	<u>1,506</u>	<u>6,518</u>
	<b>103,622</b>	88,145
Less: Non-current portion		
Rental deposit	(643)	(520)
Deposit paid for acquisition of machineries	<u>-</u>	<u>(2,250)</u>
Total current portion	<u><b>102,979</b></u>	<u><b>85,375</b></u>

### Notes:

- (a) Trade receivables were mainly derived from provision of foundation works, including piling construction, ELS works, pile cap construction, site formation and ancillary services, and are non-interest bearing. The Group does not hold any collateral or other credit enhancements over these balances.

A credit period of less than 60 days since the issuance of invoice or payments received from main contractor is granted by the Group to its trade customers of contract work. Application for progress payments of contract works is made on a regular basis.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0-30 days	12,611	21,467
31-90 days	3,906	9,817
More than 90 days	<u>217</u>	<u>261</u>
	<u><b>16,734</b></u>	<u><b>31,545</b></u>

The directors do not consider the amounts as significant increase in credit risk with reference to the historical records, past experience and also available reasonable and supportive forward-looking information of these receivables, and the recurring overdue record of these receivables with satisfactory settlement history.

- (b) All advances to subcontractors are interest free and have no fixed terms of repayment. The advances made to subcontractors are for the purpose of working capital for the projects undertaken by the Group, which were trade-related and within the scope of the Group's usual and ordinary business operations. Therefore, the Directors considered that such advances do not constitute to notifiable transactions under the Listing Rules.

Over 56% of advance to subcontractors was subsequently settled after the end of the reporting period.

## 12. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables ( <i>note</i> )	41,560	20,969
Retention payables	10,653	8,837
Other payables and accruals	8,286	7,704
	<u>60,499</u>	<u>37,510</u>

*Note:*

An aged analysis of trade payables, based on the invoice dates, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0-30 days	18,102	4,458
31-90 days	16,620	8,112
91-365 days	4,962	6,548
More than 365 days	1,876	1,851
	<u>41,560</u>	<u>20,969</u>

The Group's trade payables are non-interest bearing and generally have payment terms of 30 to 60 days.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

During the year ended 31 March 2024 (the “**Year**”), the Group was engaged in the provision of foundation works in Hong Kong and Macau. The scope of foundation works undertaken by us mainly includes piling construction, ELS works, pile cap construction, site formation and ancillary services (such as loading test and construction machinery leasing services).

As at 31 March 2024, there are 9 projects on hand with total contract sum amounting to approximately HK\$450,289,000. Nine projects are expected to be completed in the forthcoming financial year. Subsequent to the financial year end, the Group was awarded two foundation projects with contract sum amounting to approximately HK\$41,988,000.

### **PROSPECTS**

Looking forward, there is an anticipation that the global trade and investment landscape will maintain its fragility, leading to a sustained slowdown in the global economy. This projection takes into account various challenges, such as ongoing geopolitical risks, increasing trade tensions, and significant inflationary pressures observed in Western countries. However, a range of Hong Kong government’s initiatives, such as talent pooling and labour importation, are anticipated to strengthen the overall capacity and competitiveness of the city, the successful efforts in attracting strategic enterprises will attract capital and talent. These favourable factors are expected to bolster housing demand in Hong Kong. Moreover, implementation of large-scale government-led infrastructure project such as the Northern Metropolis, it is expected that the demand for construction and foundation works will be driven up, providing a steady stream of business and a favourable environment for the Group to continue to develop its principal businesses in the future.

Despite the challenges ahead, the Directors that the Hong Kong government’s long-term policies for large-scale government-led infrastructure project will favour the demand for the Group business and the Group is well-positioned to take up new projects in the coming year. The Group will continue to keep abreast of market developments and act prudently in evaluating potential business opportunities to drive the continuous business development, broaden the sources of revenue and maximise the return to our shareholders.

### **FINANCIAL REVIEW**

#### **Revenue**

The Group’s total revenue for the Year was approximately HK\$361,257,000 (for the year ended 31 March 2023 (the “**Previous Year**”): approximately HK\$315,136,000), representing an increase of approximately 14.6% over the Previous Year. The increase in our revenue was mainly due to the fact that the Group undertook some more foundation works projects during the Year.

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

The Group's gross profit amounted to approximately HK\$31,248,000 for the Year (for the Previous Year: approximately HK\$34,395,000). The Group's gross profit margin during the Year was approximately 8.6% (for the Previous Year: approximately 10.9%).

The decrease in gross profit margin was mainly due to lower gross profit derived from the new projects commenced and the increase of subcontracting cost involved during the Year.

### **Other Income**

The Group's other income for the Year were approximately HK\$3,378,000 (for the Previous Year: approximately HK\$7,094,000), representing a decrease of approximately 52.4% compared to the Previous Year. This was mainly due to the absence of government grants from the Employment Support Scheme launched by the Hong Kong Government during the year.

### **Other Net Losses**

The Group's other net losses for the Year were approximately HK\$944,000 (for the Previous Year: other net losses approximately HK\$1,632,000), representing a decrease of approximately 42.2% compared to the Previous Year. This was mainly due to the absence of written off of prepayment of approximately HK\$563,000.

### **General and Administrative Expenses**

The Group's administrative expenses for the Year were approximately HK\$23,874,000 (for the Previous Year: approximately HK\$24,866,000), representing a decrease of approximately 4.0% compared to the Previous Year. This was mainly due to the decrease in staff salaries and bonus of head office of approximately HK\$768,000 during the Year as compared to the Previous Year.

### **Income Tax**

There was no income tax for the Year of the Group (for the Previous Year: Nil).

### **Net Profit**

As a result of the abovementioned, the Group reported a net profit for the Year of approximately HK\$4,286,000 (for the Previous Year: approximately HK\$10,836,000).

### **Trade and Other Receivables**

Trade and other receivables increased by approximately 20.6% from approximately HK\$85,375,000 as at 31 March 2023 to approximately HK\$102,979,000 as at 31 March 2024. This was mainly due to the increase in advances to certain subcontractors.

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

As at 31 March 2024, the Group had bank balances of approximately HK\$17,307,000 (as at 31 March 2023: approximately HK\$29,106,000). The interest-bearing debts of the Group as at 31 March 2024 was approximately HK\$114,434,000 (as at 31 March 2023: approximately HK\$97,278,000). The gearing ratio was calculated based on the amount of bank and other loans, and lease liabilities divided by total equity. The gearing ratio of the Group as at 31 March 2024 was approximately 63.1% (as at 31 March 2023: approximately 54.9%), as a result of the increase in bank and other loans during the Year.

## **Pledge of Assets**

The Group's plant and machinery and right-of-use assets with an aggregate net book value of approximately HK\$9,989,000 as at 31 March 2024 were held under leases and other loan (as at 31 March 2023: HK\$16,997,000).

As at 31 March 2024, the Group banking facilities were secured by the Group's bank deposits amounting to HK\$2,014,000 (as at 31 March 2023: Nil).

## **Foreign Exchange Risk**

The Group mainly operates in Hong Kong and most of the operating transactions (such as revenue, expenses, monetary assets and liabilities) are denominated in Hong Kong dollars. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group has not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the Year.

## **Employees and Remuneration Policy**

As at 31 March 2024, the Group employed 161 employees (as at 31 March 2023: 120 employees). Total remuneration costs including directors' emoluments for the Year amounted to approximately HK\$65,394,000 (for the Previous Year: approximately HK\$60,588,000). The salary and benefit levels of the employees of the Group are competitive and individual performance is rewarded through the Group's salary and bonus system. The Group conducts annual review on salary increase, discretionary bonuses and promotions based on the performance of each employee.

During the Year, the Group has not experienced any significant problems with its employees due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff.

## **Capital Commitments**

The Group did not have capital commitments in respect of acquisition of property, plant and equipment as at 31 March 2024 (as at 31 March 2023: HK\$1,050,000).



### **Distributable Reserves**

The Companies Act provides that share premium account of a company incorporated in the Cayman Islands may be applied in such manner as it may from time to time determine, subject to the provisions, if any, of its memorandum and articles of association, provided that no distribution or dividend may be paid to its members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, The Company shall be able to pay its debts as they fall due in the ordinary course of business. The Company's reserves available for distribution comprise the share premium, contributed surplus and accumulated losses. In the opinion of the Board, the Company's reserves available for distribution to the shareholders at 31 March 2024 were approximately HK\$118,972,000 (as at 31 March 2023: HK\$120,334,000).

### **Contingent Liabilities**

The Group did not have any significant contingent liabilities as at 31 March 2024 (as at 31 March 2023: Nil).

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **Purchase, sale or redemption of the Company's listed securities**

No purchase, sale or redemption of the Company's listed securities was made by the Company or its subsidiaries (including sale of treasury shares (as defined in the Listing Rules)) from the Listing Date and up to the date of this announcement.

### **Compliance with the corporate governance code**

The Group is committed to uphold high standards of corporate governance. The Board considers that enhanced public accountability and corporate governance are beneficial to the healthy growth of the Group, improving customer and supplier confidence and safeguarding the interests of the shareholders of the Company.

The Company had complied with all applicable code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules from the Listing Date and up to the date of this announcement.

### **Compliance with the Model Code**

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "**Model Code**"). In response to a specific enquiry by the Company, all Directors have confirmed that they complied with the requirements of the Model Code since the Listing Date and up to the date of this announcement.

## **Audit Committee**

The Company has established an audit committee (the “**Audit Committee**”) in accordance with the requirements of the Listing Rules with terms of reference aligned with the provision of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Audit Committee is to serve as a focal point for communication between other Directors, the external auditors, and the management as their duties relate to financial and other reporting, internal controls and the audits; and to assist the Board in fulfilling its responsibilities by providing an independent review of financial reporting and make themselves satisfied as to the effectiveness of the Company’s internal controls and as to the efficiency of the audits. The Audit Committee comprises three independent non-executive Directors, namely Mr. Cheng Chi Hung (chairman), Mr. Li Hon Hung, *BBS, MH, JP* and Mr. Wong Yip Kong.

## **Review of Annual Results**

The Audit Committee of the Company has reviewed the accounting principles and practices adopted by the Group and the annual results for the year ended 31 March 2024. The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been reviewed and agreed by the Group’s auditor, Elite Partners CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the Year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners CPA Limited on this announcement.

## **Dividend Policy**

The declaration of payment of dividends are subject to the criteria set out in the dividend policy adopted by the Company (the “**Dividend Policy**”), shall remain to be determined at the sole discretion of the Board and are subject to all applicable laws and regulations and the Articles of Association of the Company. The Board shall take into account the following factors, among other factors, when considering the declaration and payment of dividends:

- (a) the Group’s overall results of operation, financial position, liquidity position, capital requirements, cash flow and future prospects;
- (b) the amount of distributable reserves of the Company;
- (c) the expected capital requirements and future expansion plans of the Group;
- (d) the general business and regulatory conditions, the business cycle of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Group;

- (e) the statutory and regulatory restrictions;
- (f) the contractual restrictions on the payment of dividends by the Company to the shareholders or by the subsidiaries of the Company to the Company;
- (g) the shareholders' interests; and
- (h) other factors that the Board deems relevant.

The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

### **Final Dividend and Annual General Meeting**

The Directors recommended no payment of final dividend for the Year. Notice of the annual general meeting will be published and despatched to shareholders of the Company in the manner required by the Listing Rules in due course.

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

This announcement is published on the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) and at the website of the Company at [www.simonandsons.com.hk](http://www.simonandsons.com.hk). The annual report will be despatched to the shareholders of the Company and available on the above websites in due course.

### **APPRECIATION**

On behalf of the Board, I would like to express my sincere gratitude to all our management and staff members for their dedication and contribution to the Group. In addition, I would like to thank all our shareholders and investors for their support and our customers for their patronage.

By order of the Board  
**Sheung Yue Group Holdings Limited**  
**Chan Lap Wai Gary**  
*Chairman*

Hong Kong, 28 June 2024

*As at the date of this announcement, the Board comprises Mr. Chan Lap Wai Gary (Chairman), Mr. Chan Lap Chuen Edmond and Ms. Chan Chin Ying Amanda as executive Directors, and Mr. Li Hon Hung, BBS, MH, JP, Mr. Cheng Chi Hung and Mr. Wong Yip Kong as independent non-executive Directors.*