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RI YING HOLDINGS LIMITED

日贏控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1741)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2023

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 104.8% from approximately HK\$110.3 million for the year ended 30 September 2022 to approximately HK\$225.9 million for the year ended 30 September 2023.
- The Group recorded gross profit of approximately HK\$62.7 million for the year ended 30 September 2023 as compared with the gross loss of approximately HK\$87.0 million for the year ended 30 September 2022.
- The Group also recorded a gross profit margin of approximately 27.8% for the year ended 30 September 2023 as compared with the gross loss margin of 78.9% for the year ended 30 September 2022.
- Loss attributable to the owners of the Company was approximately HK\$135.8 million for the year ended 30 September 2022 as compared to loss of approximately HK\$1.8 million for the year ended 30 September 2023.
- Basic and diluted loss per share was approximately HK0.22 cents and HK16.97 cents for the years ended 30 September 2023 and 2022, respectively.
- The Board does not recommend the payment of any final dividend for the year ended 30 September 2023.

FINAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Ri Ying Holdings Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 30 September 2023, together with the comparative figures for the year ended 30 September 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2023

	Note	2023 HK\$'000	2022 HK\$'000
Revenue	4	225,905	110,309
Cost of sales		<u>(163,205)</u>	<u>(197,326)</u>
Gross profit/(loss)		62,700	(87,017)
Other income, gains and losses	4	13,679	5,521
Administrative and other operating expenses		(75,227)	(53,977)
Net impairment losses on financial assets and contract assets		<u>(1,746)</u>	<u>(3,323)</u>
Operating loss		(594)	(138,796)
Share of losses of associates		(79)	–
Finance costs		<u>(1,860)</u>	<u>(296)</u>
Loss before tax	5	(2,533)	(139,092)
Income tax (expense)/credit	6	<u>(76)</u>	<u>138</u>
Loss for the year		(2,609)	(138,954)
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Release of translation reserve upon disposal of subsidiaries		(207)	–
Exchange difference arising on translation of foreign operations		<u>529</u>	<u>1,219</u>
Total comprehensive expense for the year		<u><u>(2,287)</u></u>	<u><u>(137,735)</u></u>
Loss for the year attributable to:			
Owners of the Company		(1,769)	(135,787)
Non-controlling interests		<u>(840)</u>	<u>(3,167)</u>
		<u><u>(2,609)</u></u>	<u><u>(138,954)</u></u>
Total comprehensive expense attributable to:			
Owners of the Company		(1,572)	(134,970)
Non-controlling interests		<u>(715)</u>	<u>(2,765)</u>
		<u><u>(2,287)</u></u>	<u><u>(137,735)</u></u>
Basic and diluted loss per share (HK cents)	7	<u><u>(0.22)</u></u>	<u><u>(16.97)</u></u>

Details of dividends, if any, are disclosed in Note 8 to this announcement.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	<i>Note</i>	2023 HK\$'000	2022 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		3,942	5,021
Right-of-use assets		12,045	6,861
Interest in associates		504	–
Goodwill		6,153	6,383
		<u>22,644</u>	<u>18,265</u>
Current assets			
Inventory		2,897	2,222
Trade and other receivables	<i>9</i>	100,017	51,530
Contract assets		34,194	23,090
Financial assets at fair value through profit or loss		–	4,152
Amounts due from related parties		620	852
Bank deposits, balances and cash		41,450	49,020
		<u>179,178</u>	<u>130,866</u>
Total assets		<u>201,822</u>	<u>149,131</u>
EQUITY			
Capital and reserves			
Share capital	<i>10</i>	8,000	8,000
Share premium and reserves		37,664	39,236
		<u>45,664</u>	<u>47,236</u>
Equity attributable to owners of the Company		45,664	47,236
Non-controlling interests		(2,493)	(5,503)
		<u>43,171</u>	<u>41,733</u>

	<i>Note</i>	2023 HK\$'000	2022 HK\$'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		<u>6,443</u>	<u>3,694</u>
		<u>6,443</u>	<u>3,694</u>
Current liabilities			
Trade and other payables	<i>11</i>	106,097	92,789
Contract liabilities		1,963	2,526
Lease liabilities		5,950	2,429
Amount due to a non-controlling interest of a subsidiary		–	5,902
Bank borrowings		38,142	–
Income tax payable		<u>56</u>	<u>58</u>
		<u>152,208</u>	<u>103,704</u>
Total liabilities		<u>158,651</u>	<u>107,398</u>
Total equity and liabilities		<u>201,822</u>	<u>149,131</u>
Net current assets		<u>26,970</u>	<u>27,162</u>
Total assets less current liabilities		<u>49,614</u>	<u>45,427</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

1 GENERAL INFORMATION

The Company is an investment holding company. The Group is principally engaged in provision of foundation works and site formation works, general building works and associated services, other construction works, construction related consultancy services and health management and consultancy business.

The Company was incorporated in the Cayman Islands on 3 January 2018 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 16 October 2018 (the “**Listing Date**”).

The address of the Company’s registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands and the Company’s principal place of business is 6/F, Kai Tak Commercial Building, Nos. 317-319 Des Voeux Road Central, Sheung Wan, Hong Kong.

Its parent and ultimate holding company is Elite Bright Developments Limited, a company incorporated in the British Virgin Islands and wholly-owned by Dr. Lau Chi Wang, Mr. Lau Chi Ming and Dr. Lau Chi Keung, the controlling shareholders of the Company.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except for financial instruments that are measured at fair values.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

3 APPLICATION OF AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group applied the “Amendments to References to the Conceptual Framework in HKFRSs” and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 October 2022 for the preparation of the consolidated financial statements:

Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

The application of “Amendments to References to the Conceptual Framework in HKFRSs” and the amendments to HKFRSs in the current year has had no material impact on the Group’s consolidated financial position and consolidated financial performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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:

HKFRS 17 and amendments to HKFRS 17	Insurance Contracts and the Related Amendments ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1	Non-current Liabilities with Covenants ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ³
Amendments to HKAS 21	Lack of Exchangeability ⁴

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or 1 January 2024.

⁴ Effective for annual periods beginning on or 1 January 2025.

The Directors 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.

4 REVENUE, OTHER INCOME, GAINS AND LOSSES AND SEGMENT INFORMATION

Revenue and other income, gains and losses recognised during the years are as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue		
Foundation and site formation works	83,859	89,189
General building works and associated services	41,419	(40,290)
Other construction works	43,543	39,595
Construction related consultancy services	8,599	7,509
Sales of health products	48,485	14,306
	<u>225,905</u>	<u>110,309</u>
Other income, gains and losses		
Bank interest income	256	25
Loss on disposal of property, plant and equipment	(332)	–
Gain on lease termination	3	–
Dividend income from financial assets at fair value through profit or loss	349	357
Fair value change on financial assets at fair value through profit or loss	(3)	(614)
Compensation from legal claims	3,157	–
Gain on disposal of subsidiaries	2,866	–
Agency commission income	6,685	2,872
Government grant (<i>Note</i>)	–	653
Rental income	–	423
Others	698	1,805
	<u>13,679</u>	<u>5,521</u>

Note:

The amount mainly represents Employment Support Scheme under the Anti-epidemic Fund of The Government of the Hong Kong Special Administrative Region. The Group had to commit to spending the assistance on payroll expenses, and not reduce employee head count below prescribed levels for a specified period of time. The Group did not have any unfulfilled conditions relating to the grant during the year.

As disclosed in Note 12, the Group has by a letter dated 18 January 2023 referred the disputes under the Contract (as defined in Note 12) to mediation. The Group has recognised revenue from the Contract in accordance with its revenue recognition accounting policies which amounted to approximately HK\$357,061,000 up until 30 September 2021, including revenue of approximately HK\$54,503,000 recognised in the financial year ended 30 September 2021. As the eventual outcome of the disputes for the Group cannot be fully assessed as at the date of approval of the consolidated financial statements, the Group has updated its measure of progress as at 30 September 2022 towards complete satisfaction of its performance obligations satisfied over time under the Contract to reflect the matters of the disputes which arose during the year ended 30 September 2022. Consequently, included in arriving at revenue of the Group for the year ended 30 September 2022 is a deduction of an amount of approximately HK\$59,221,000 to reflect the reduced amount of value of work done to-date under the Contract of approximately HK\$297,840,000 certified by the School (as defined in Note 12) under the interim payment certificate with valuation date 9 December 2022 whereby the School had significantly reduced the amount certified by the School in previous interim payment certificates, despite the fact that the Group disputes such reduction in the certified amount. In accordance with the requirements of HKFRS 15, the change to the Group's measure of progress as at 30 September 2022 towards complete satisfaction of its performance obligations under the Contract is accounted for as a change in accounting estimate.

Segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the “CODM”), being the executive Directors, in order for the CODM to allocate resources and to assess performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments are as follows:

- Foundation and site formation works;
- General building works and associated services;
- Other construction works;
- Construction related consultancy services; and
- Health management and consultancy business (including sales of health products, licencing and health management software development).

The CODM makes decisions according to the operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Segment revenue and results

	Foundation and site formation works <i>HK\$'000</i>	General building works and associated services <i>HK\$'000</i>	Other construction works <i>HK\$'000</i>	Construction related consultancy services <i>HK\$'000</i>	Health management and consultancy business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 30 September 2023						
Segment revenue	<u>83,859</u>	<u>41,419</u>	<u>43,543</u>	<u>8,599</u>	<u>48,485</u>	<u>225,905</u>
Segment results	<u>13,732</u>	<u>6,861</u>	<u>8,727</u>	<u>1,128</u>	<u>32,252</u>	62,700
Other income, gains and losses						13,679
Administrative and other operating expenses						(75,227)
Net impairment losses on financial assets and contract assets						(1,746)
Share of losses of associates						(79)
Finance costs						<u>(1,860)</u>
Loss before tax						<u>(2,533)</u>

	Foundation and site formation works <i>HK\$'000</i>	General building works and associated services <i>HK\$'000</i>	Other construction works <i>HK\$'000</i>	Construction related consultancy services <i>HK\$'000</i>	Health management and consultancy business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 30 September 2022						
Segment revenue	<u>89,189</u>	<u>(40,290)</u>	<u>39,595</u>	<u>7,509</u>	<u>14,306</u>	<u>110,309</u>
Segment results	<u>7,842</u>	<u>(109,369)</u>	<u>2,827</u>	<u>(676)</u>	<u>12,359</u>	<u>(87,017)</u>
Other income, gains and losses						5,521
Administrative and other operating expenses						(53,977)
Net impairment losses on financial assets and contract assets						(3,323)
Finance costs						<u>(296)</u>
Loss before tax						<u>(139,092)</u>

Geographical information

Information about the Group's revenue from external customers presented based on location of operation is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
The People's Republic of China (the "PRC")	48,485	14,306
Hong Kong	<u>177,420</u>	<u>96,003</u>
	<u>225,905</u>	<u>110,309</u>

Information about the Group's non-current assets (excluding deferred tax assets) is presented based on the geographical location of the assets is as follow:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
The PRC	16,327	9,862
Hong Kong	<u>6,317</u>	<u>8,403</u>
	<u>22,644</u>	<u>18,265</u>

Information about major customers

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Customer A ¹	N/A ³	51,126
Customer B ²	31,750	N/A ³
Customer C ¹	30,929	N/A ³
	<u>30,929</u>	<u>N/A³</u>

¹ Revenue from foundation and site formation works.

² Revenue from general building works and associated services.

³ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5 LOSS BEFORE TAX

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss before tax has been arrived at after charging:		
Depreciation of property, plant and equipment	2,728	2,658
Depreciation of right-of-use assets	5,915	5,954
Short-term lease expenses	344	512
Auditors' remuneration	1,100	1,100
Employee benefit expenses, including Directors' emoluments	38,635	30,551
Net impairment losses on financial assets and contract assets	1,746	3,323
Research and development cost (including employee benefit expenses amounted approximately HK\$1,786,000 (2022: approximately HK\$371,000))	7,652	1,749
	<u>7,652</u>	<u>1,749</u>

Included in cost of sales for the year ended 30 September 2022 is approximately HK\$47,822,000 of contract costs incurred by the Group in the year which related directly to the Contract (as defined in Note 12). In view of the fact that the eventual outcome of the Disputes for the Group cannot be fully assessed as at the date of approval of the consolidated financial statements, the Directors have determined to recognise these contract costs as expense in consolidated profit or loss for the year ended 30 September 2022 instead of carrying them forward as contract cost assets.

6 INCOME TAX EXPENSE/(CREDIT)

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong Profits Tax:		
– Overprovision in prior years	–	(156)
PRC Enterprise Income Tax:		
– Current income tax	76	18
	<u>76</u>	<u>18</u>
Income tax expense/(credit)	<u>76</u>	<u>(138)</u>

7 LOSS PER SHARE

	2023	2022
Loss attributable to owners of the Company (HK\$'000)	<u>(1,769)</u>	<u>(135,787)</u>
Weighted average number of ordinary shares for the purpose of calculating basic loss per share (in thousand)	<u>800,000</u>	<u>800,000</u>
Basic loss per share (HK cents)	<u>(0.22)</u>	<u>(16.97)</u>

For the years ended 30 September 2023 and 2022, the calculation of the basic loss per share attributable to owners of the Company was based on (i) the loss for the year attributable to owners of the Company; and (ii) the weighted average number of ordinary shares in issue during the year.

The diluted loss per share is equal to the basic loss per share as there were no potential ordinary share in issue during the years ended 30 September 2023 and 2022.

8 DIVIDENDS

The Board does not recommend the payment of a final dividend for the years ended 30 September 2023 and 2022.

9 TRADE AND OTHER RECEIVABLES

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	25,006	13,417
Less: provision for impairment losses	<u>(4,400)</u>	<u>(3,040)</u>
	20,606	10,377
Other receivables, deposits and prepayments	79,517	41,293
Less: provision for impairment losses	<u>(106)</u>	<u>(140)</u>
	<u>79,411</u>	<u>41,153</u>
	<u>100,017</u>	<u>51,530</u>

Notes:

- (a) The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on 30 days and stipulated in the contract, as appropriate.
- (b) The ageing analysis of the trade receivables (net of impairment losses) based on payment certificate date or invoice date is as follows:

	2023 HK\$'000	2022 <i>HK\$'000</i>
0–30 days	11,320	4,947
31–60 days	4,650	2,318
61–90 days	668	1,420
Over 90 days	3,968	1,692
	20,606	10,377

10 SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
As at 1 October 2021, 30 September 2022, 1 October 2022 and 30 September 2023	2,000,000	20,000
Issued and fully paid:		
As at 1 October 2021, 30 September 2022, 1 October 2022 and 30 September 2023	800,000	8,000

11 TRADE AND OTHER PAYABLES

	2023 HK\$'000	2022 <i>HK\$'000</i>
Trade payables	9,099	4,876
Retention payables	11,351	25,790
Accruals and other payables	85,647	62,123
	106,097	92,789

Note:

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 – 30 days	4,260	2,630
31 – 60 days	–	270
61 – 90 days	2,816	4
Over 90 days	2,023	1,972
	<u>9,099</u>	<u>4,876</u>

12 ARBITRATION

As disclosed in the announcement dated 20 January 2023, Fong On Construction Limited (“**Fong On**”), an indirect wholly-owned subsidiary of the Company, is involved in certain disputes (the “**Disputes**”) in connection to payments owed to Fong On as main contractor for carrying out certain design and construction works for a school in Hong Kong (the “**School**”). Fong On contends, among other things, that the School has failed and/or refused to pay Fong On in accordance with the payment terms agreed and has undervalued the works carried out (including variation works) by Fong On pursuant to the relevant contract (the “**Contract**”). The Group has recognised revenue from the Contract in accordance with its revenue recognition accounting policies which amounted to approximately HK\$357,061,000 up until 30 September 2021, including revenue of approximately HK\$54,503,000 recognised in the financial year ended 30 September 2021. During the financial year ended 30 September 2022, the School failed to make payment for an interim payment certificate issued by the School during the year and subsequent to the end of the financial year, the School issued a further interim payment certificate with valuation date 9 December 2022 whereby the School significantly reduced the amount already certified by the School in previous interim payment certificates. Fong On by a letter dated 18 January 2023 requested the Disputes to be referred to mediation in accordance with the terms agreed pursuant to the Contract. The conclusion of the mediation conference held on 9 May 2023, the parties were unable to reach a settlement agreement in relation to the Disputes.

Fong On has initiated arbitration proceedings against the School with respect to the Disputes (the “**Arbitration**”) on 18 April 2023. On 24 November 2023, Fong On served its Statement of Claim upon the School and its management committee. The next step is for the School and its management committee to serve their Statement of Defence (and Counterclaim, if any) by 15 March 2024.

Up to the date of approval for issuance of the consolidated financial statements, the Directors have fully considered all the relevant facts and circumstances, including the nature of the claims, costs of arbitration and potential impact on the consolidated financial statements and engaged an external lawyer to consider and assess the strategies and defenses. The eventual outcome of the Disputes for the Group cannot be assessed at this stage.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a construction contractor in Hong Kong that principally provides (i) foundation and site formation works, which mainly include piling works, excavation and lateral support (“**ELS**”) works, pile cap construction and ground investigation works; (ii) general building works and associated services, which mainly include development of superstructures, alteration and addition works; and (iii) other construction works, which mainly include slope works and demolition works. The Group is able to undertake construction works as either a main contractor or a subcontractor. Apart from construction works, the Group also provides construction related consultancy services including engineering consulting on construction designs and works supervision, and construction contract administration services.

As at 30 September 2023, the Group had 23 construction projects on hand (including projects in progress and projects that are yet to commence) (2022: 25 construction projects on hand) with a total contract value of approximately HK\$341.4 million (2022: approximately HK\$798.0 million), out of which approximately HK\$168.8 million has been recognised as revenue up to 30 September 2023. The details of the Group’s projects on hand as at 30 September 2023 are as follows:

Number	Project awarded	Actual/expected commencement date	Actual/expected Completion Date
1	Foundation, ELS and pile cap works for proposed commercial development in Sheung Wan	June 2018	January 2024
2	Slope works in Kwu Tung North New Development Areas	September 2020	December 2023
3	Re-construction work for a building in Jordan	December 2021	November 2023
4	Site formation and infrastructure works in Tseung Kwan O	May 2022	August 2024
5	Foundation works for a proposed composite development in Cheung Sha Wan	August 2022	December 2023
6	Supply and installation of flexible barrier at Ap Lei Chau	September 2022	June 2024
7	Minipiles works for a charity organisation at Shatin Racecourse	January 2023	February 2024
8	Refurbishment of toilets and changing rooms at sport ground in Tuen Mun	February 2023	October 2023

Number	Project awarded	Actual/expected commencement date	Actual/expected Completion Date
9	Slope improvement work for a university in Shatin	April 2023	March 2024
10	Ground investigation works for redevelopment of residential building in Ho Man Tin	April 2023	November 2023
11	Supply and installation of flexible barrier in Tung Chung	April 2023	December 2023
12	Foundation works for Hong Kong International Airport	May 2023	October 2023
13	Supply and installation of flexible barrier in Pok Fu Lam South	May 2023	June 2024
14	Supply and installation of flexible barrier in Yau Tong	May 2023	June 2024
15	Slope remedial works in Mid-Levels	June 2023	February 2024
16	Slope improvement work for a university in Shatin	June 2023	August 2024
17	Slope improvement work for a university in Shatin	June 2023	August 2024
18	Construction of canopy and associated works for a building in North Point	June 2023	April 2024
19	Slope improvement work at the Peak	July 2023	March 2024
20	Foundation and ELS works for a school in Shek Kip Mei	July 2023	October 2023
21	Ground investigation works for a charity organisation at Happy Valley Racecourse	July 2023	October 2023
22	Foundation works to escalator for the proposed residential developmen in Discovery Bay North	September 2023	June 2024
23	Site investigation works for industrial building in Fanling	September 2023	November 2023

Apart from undertaking construction works in Hong Kong, the Group also operates a health management and consultancy business in the PRC primarily involve the sales of health products on a wholesale basis. Initially, the Group sourced health products from suppliers who offered third-party brands, mainly including female hygiene products for female customers in the PRC. Having considered factors such as the growing ageing population in the PRC, the improvement of public health awareness and the recurrent outbreak of the novel coronavirus (COVID-19) epidemic (the “**Epidemic**”), the Group has ventured into marketing health products under its own brands for customers in the middle age or older demographic in the PRC, which include Ginseng and related products developed and produced via cooperation with biotechnology and pharmaceutical companies in the PRC. In addition, the Group has expanded its offerings to include the health intelligent robots which allow users to conduct certain basic health check-ups and seek medical and health consultation online. With the continuous research and development, the Group has launched a new model of the health intelligent robot during the year ended 30 September 2023. The revenue generated from the Group’s health management and consultancy business increased from approximately HK\$14.3 million for the year ended 30 September 2022 to approximately HK\$48.5 million for the year ended 30 September 2023.

OUTLOOK

The Directors are of the view that the general outlook of the construction industry and the business environment in which the Group operates will remain challenging. Although the global economy has been improved in the post-pandemic era, the pace of recovery has been slower than expected. The divergences between countries have continued to increase with conflicts broken out in several regions. Besides, the policies implemented by central banks of various countries in response to the inflation have led to higher borrowing costs and constrained the economic activities, thereby hindering the recovery of the economy. In light of the uncertain business environment, the Group will continue to adopt prudent financial management and cost control in order to address the challenges of the current market conditions. Furthermore, the Group will continue to obtain additional qualifications and strengthen its financial resources to better position itself for tendering suitable projects in the public sector as a main contractor, and invest in the manpower and information system to enhance its operational capacity and efficiency. For the Group's health management and consultancy business, it will strive to capture the growth opportunities in order to meet the market demand brought about by the Epidemic as well as the improvement of health awareness of individuals in the PRC. Meanwhile, the Group will continue to explore suitable business and investment opportunities to drive its business growth.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately HK\$115.6 million, or 104.8%, from approximately HK\$110.3 million for the year ended 30 September 2022 to approximately HK\$225.9 million for the year ended 30 September 2023. The following table sets out a breakdown of the Group's revenue during the years ended 30 September 2023 and 2022 by segments:

	Year ended 30 September			
	2023		2022	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Foundation and site formation works	83,859	37.1	89,189	80.8
General building works and associated services	41,419	18.3	(40,290)	(36.5)
Other construction works	43,543	19.3	39,595	35.9
Construction related consultancy services	8,599	3.8	7,509	6.8
Health management and consultancy business	48,485	21.5	14,306	13.0
Total	<u>225,905</u>	<u>100.0</u>	<u>110,309</u>	<u>100.0</u>

The increase in the Group's revenue was primarily due to (i) the increase in revenue contribution from general building works and associated services as a result of the substantial amount of works performed for a sizeable reconstruction project of a building; (ii) no further deduction of revenue recognised for the redevelopment project of a school which is under disputes; (iii) the increase in number of projects undertaken by the Group for other construction works and construction related consultancy services during the year ended 30 September 2023; and (iv) the increase in revenue generated from health management and consultancy business. Such increase was partially offset by the decrease in the revenue contributed from foundation and site formation works as a result of the completion of certain sizeable projects with lower value of works recognised during the year.

Cost of sales

Cost of sales decreased by approximately HK\$34.1 million, or 17.3%, from approximately HK\$197.3 million for the year ended 30 September 2022 to approximately HK\$163.2 million for the year ended 30 September 2023. The higher cost of sales for the year ended 30 September 2022 was mainly attributable to the recognition of substantial contract costs related to the redevelopment project of a school which is currently under disputes.

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

The Group had gross profit of approximately HK\$62.7 million for the year ended 30 September 2023 as compared with the gross loss of approximately HK\$87.0 million for the year ended 30 September 2022. The Group also recorded a gross profit margin of approximately 27.8% for the year ended 30 September 2023 as compared with the gross loss margin of 78.9% for the year ended 30 September 2022.

The Group recorded a gross profit margin of 16.6% for general building works and associated services during the year ended 30 September 2023 as compared with significant gross loss recognised for the year ended 30 September 2022 which was primarily due to there being no further deduction of revenue and a decrease in contract costs recognised in relation to the redevelopment project of a school which is under dispute. The gross profit margin for construction related consultancy services also turned from gross loss margin of 9.0% for the year ended 30 September 2022 to gross profit margin of 13.1% for the year ended 30 September 2023 as more projects were undertaken to cover the fixed operating costs during the year. The Group recorded the increase in gross profit margin for foundation and site formation works (2022: 8.8%; 2023: 16.4%) as substantial works have been completed for a foundation project of a grade A office building at a relatively low gross profit margin during the year ended 30 September 2022 and the increase in gross profit margin for other construction works (2022: 7.1%; 2023: approximately 20.0%) following the commencement of new projects with relatively high margin during the year. Furthermore, the Group's gross profit margin for health management and consultancy business decreased as compared to the same period in 2022 (2022: 86.4%; 2023: 66.5%) as higher costs were incurred for concluding the sales of the Group.

Other income, gains and losses

The other income, gains and losses increased by approximately HK\$8.2 million, or 147.8% from approximately HK\$5.5 million for the year ended 30 September 2022 to approximately HK\$13.7 million for the year ended 30 September 2023, primarily due to the one-off gain on disposal of certain subsidiaries of the Group as well as the compensation of legal claims received and the increase in agency commission income during the year ended 30 September 2023.

Administrative and other operating expenses

The administrative and other operating expenses increased by approximately HK\$21.3 million, or 39.4%, from approximately HK\$54.0 million for the year ended 30 September 2022 to approximately HK\$75.2 million for the year ended 30 September 2023. Such increase was mainly contributed by the continuous expansion of the Group's business in the PRC with the increase in operating expenses such as staff costs and the increase in research and development costs for the health intelligent robots during the year ended 30 September 2023.

Income tax (expense)/credit

The Group recorded income tax expense of approximately HK\$76,000 for the year ended 30 September 2023 as compared with income tax credit of approximately HK\$138,000 for the year ended 30 September 2022 as no reversal for provision of income tax expense provided for previous years were made for the year ended 30 September 2023.

Loss for the year

As a result of the foregoing, for the year ended 30 September 2023, the net loss decreased by approximately HK\$136.3 million from approximately HK\$139.0 million for the year ended 30 September 2022 to approximately HK\$2.6 million for the year ended 30 September 2023.

Contract assets

The Group's contract assets mainly included the Group's right to consideration for work performed but not yet billed (the "**Unbilled Revenue**") as well as the retention receivable as withheld by customers for contract works. The Group's contract assets increased significantly from approximately HK\$23.1 million as at 30 September 2022 to approximately HK\$34.2 million as at 30 September 2023, primarily due to the increase in the Unbilled Revenue for work completed but not yet certified by customers before the end of the year. The Group has engaged an independent professional valuer to estimate the expected credit losses for contract assets and the simplified approach have been adopted under HKFRS 9. The management of the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate provisions for impairment losses are made for irrecoverable amounts on contract assets. In this regard, the management of the Group considers that the credit risk

on contract assets is significantly reduced. The Group considers available reasonable and supportive forward-looking information. Based on such assessment, the Group's management considers the expected credit loss allowance on the contract assets is adequately provided as at 30 September 2023. As at the date of this announcement, approximately 44.0% of the Group's contract assets have been subsequently settled.

Other receivables, deposits and prepayments

The following table sets forth the breakdown of other receivables, deposits and prepayments as at 30 September 2023 and 2022:

	As at 30 September 2023 HK\$'000	As at 30 September 2022 HK\$'000
Other receivables	4,640	9,940
Deposits	3,458	1,880
Prepayments	71,419	29,473
	79,517	41,293
Less: provision for impairment losses	(106)	(140)
	79,411	41,153

The Group's other receivables, deposits and prepayments increased from approximately HK\$41.2 million as at 30 September 2022 to approximately HK\$79.4 million as at 30 September 2023. Such increase was mainly due to the increase in prepayment to suppliers for production of health intelligent robots and the procurement of goods for customers in relation to the agency commission income. As at the date of this announcement, approximately 82.0% of the Group's other receivables, deposits and prepayments as at 30 September 2023 have been subsequently settled/utilised.

Accruals and other payables

The following table sets forth the breakdown of accruals and other payables as at 30 September 2023 and 2022:

	As at 30 September 2023 HK\$'000	As at 30 September 2022 HK\$'000
Accruals	19,835	6,548
Other payables	65,812	55,575
	85,647	62,123

The Group's accruals and other payables increased from approximately HK\$62.1 million as at 30 September 2022 to approximately HK\$85.6 million as at 30 September 2023. Such increase was mainly due to (i) the increase in accrued expenses for construction projects as a result of the increase in work performed for projects undertaken; and (ii) the increase in other payables as a result of the continuous expansion of the health management and consultancy business in the PRC.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Company's shares were successfully listed on the Main Board of the Stock Exchange on 16 October 2018 (the "Listing"). There has been no change in the capital structure of the Group since then. The capital of the Group only comprises of ordinary shares.

The Group's operation and investments were financed principally by cash generated from its business operations and equity contribution from the shareholders.

As at 30 September 2023, the Group had net current assets of approximately HK\$27.0 million (2022: approximately HK\$27.2 million) and bank deposits, balances and cash of approximately HK\$41.5 million (2022: approximately HK\$49.0 million), which were denominated in Hong Kong dollars, Renminbi and United States dollars.

As at 30 September 2023, the Group's total equity attributable to owners of the Company amounted to approximately HK\$45.7 million (2022: approximately HK\$47.2 million), and the Group's total debt comprising bank borrowings and lease liabilities amounted to approximately HK\$50.5 million (2022: approximately HK\$6.1 million). The Directors have confirmed that the Group will have sufficient financial resources to meet its obligations as they fall due in the foreseeable future.

GEARING RATIO

As at 30 September 2023, the gearing ratio of the Group, which is calculated as the total debt (comprising bank borrowings and lease liabilities) divided by total equity, was approximately 117.1% (2022: approximately 14.7%).

DIVIDENDS

The Board did not recommend the payment of any final dividend for the year ended 30 September 2023 (2022: Nil).

COMMITMENTS

As at 30 September 2023, the Group did not have any capital commitments (2022: Nil).

CONTINGENT LIABILITIES

As at 30 September 2023, certain customers of construction contracts undertaken by the Group require the Group to issue guarantee for the performance of contract works in the form of surety bonds of approximately HK\$3.6 million (2022: approximately HK\$25.3 million). The Company and the executive Directors have provided guarantee to the insurance companies to secure certain surety bonds. The surety bonds are expected to be released in accordance with the terms of the respective construction contracts.

ARBITRATION

As disclosed in the announcement dated 20 January 2023, Fong On, an indirect wholly-owned subsidiary of the Company, is involved in certain disputes in connection to payments owed to Fong On as main contractor for carrying out certain design and construction works for a school in Hong Kong. Fong On contends, among other things, that the School has failed and/or refused to pay Fong On in accordance with the payment terms agreed and has undervalued the works carried out (including variation works) by Fong On pursuant to the relevant Contract. On 18 January 2023, Fong On has submitted a written notice to the School requesting the Disputes to be referred to mediation in accordance with and subject to The Government of the Hong Kong Special Administrative Region Construction Mediation Rules. Upon the conclusion of the mediation conference held on 9 May 2023, the parties were unable to reach a settlement agreement in relation to the Disputes.

In addition to the aforementioned mediation, Fong On has also initiated arbitration proceedings against the School with respect to the Disputes on 18 April 2023. On 24 November 2023, the Claimant, Fong On, served its Statement of Claim upon the Respondents, the School and its management committee. The next step in the Arbitration process is for the Respondents, the School and its management committee, to serve their Statement of Defence (and Counterclaim, if any) by 15 March 2024. As at the date of this announcement, the Arbitration is still in its preliminary stages and hence the impacts of the Arbitration, if any, on the Company, cannot be fully assessed at this stage. The Company will make further disclosure as and when necessary or appropriately based on the progress of the Arbitration.

INFORMATION ON EMPLOYEES

As at 30 September 2023, the Group had 242 employees (2022: 158 employees). The increase in the number of employees was mainly attributable to the expansion in the health management and consultancy business in the PRC.

Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Various types of training were provided to the employees.

For the year ended 30 September 2023, the total staff cost (including Directors' emoluments and mandatory provident funds contributions) amounted to approximately HK\$38.6 million (2022: approximately HK\$30.6 million).

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business strategies as set out in the prospectus of the Company dated 28 September 2018 (the "**Prospectus**") with actual business progress up to 30 September 2023:

Business strategies as stated in the Prospectus	Implementation activities up to 30 September 2023 as stated in the Prospectus	Actual business progress up to 30 September 2023
Apply for additional licences	– Acquire one set of bored piling machine; one set of rock-socket piling machine; two sets of mini-piling machines and four air compressors; and maintain newly acquired machinery to fulfill plant requirements of the licences	The Group has acquired the bored piling machines, rock-socket piling machine and two air compressors. On 25 August 2023, the Board resolved to change the use of the unutilised net proceeds in the amounts of approximately HK\$30.3 million as originally allocated for acquisition of certain additional machinery and a piece of land to increase the working capital of the Group. For details, please refer to the announcement of the Company dated 25 August 2023 (the " UOP Announcement ").

Business strategies as stated in the Prospectus	Implementation activities up to 30 September 2023 as stated in the Prospectus	Actual business progress up to 30 September 2023
	<ul style="list-style-type: none"> - Acquire a piece of land for machinery storage 	
	<ul style="list-style-type: none"> - Increase the employed capital of Po Shing Construction Limited and Fong On Construction Limited 	<p>The Group has increased the employed capital of both subsidiaries.</p>
Fund the initial costs of the Group's construction projects	<ul style="list-style-type: none"> - Finance the working capital requirement and upfront costs for the three of the Group's projects 	<p>The funding costs for (i) the redevelopment of an outdoor activities centre at Stanley; (ii) the redevelopment at Sheung Wan; and (iii) the alterations and additions works for commercial building at North Point were fully utilised.</p>
Strengthening the Group's manpower	<ul style="list-style-type: none"> - Recruit two project managers, two project engineers, two quantity surveyors, one safety officer, two site foremen and one mechanical fitter 	<p>The Group has recruited two project managers, two project engineers, two quantity surveyors, one safety officer, two foremen and one mechanical fitter.</p>
	<ul style="list-style-type: none"> - Retain talents as recruited for this business strategy 	<p>The Group has utilised the proceeds for retaining the above newly recruited staffs to facilitate the business development.</p>
Investment in the new information system	<ul style="list-style-type: none"> - Upgrade the existing hardware and acquire new computer facilities 	<p>The Group has upgraded existing hardware and acquired new computer facilities.</p>
	<ul style="list-style-type: none"> - Upgrade the accounting system to enhance documentation and manual procedures and upgrade the human resources management system to consolidate and automate attendance, payrolls and retirement fund contribution 	<p>The Group has upgraded the accounting system to enhance documentation. As no human resources management system suitable for the Group's business size and structure is identified, the expected time for the upgrade of the human resources management system is delayed. The Group has continued to approach different service providers to search for suitable human resources management system for the Group.</p>

Business strategies as stated in the Prospectus	Implementation activities up to 30 September 2023 as stated in the Prospectus	Actual business progress up to 30 September 2023
	<ul style="list-style-type: none"> - Upgrade the engineering and design system to facilitate the planning, designing, and managing of construction projects through automatic generation of drawings and reports, design analysis, schedule simulation and facilities management 	The Group has upgraded engineering and design system.

USE OF PROCEEDS FROM THE SHARE OFFER

The net proceeds from the Listing (the “**Net Proceeds**”), after deduction of the underwriting commission and actual expenses paid by the Group in connection thereto, were approximately HK\$86.6 million. After the Listing, a part of these proceeds have been applied for the purposes in accordance with the future plans and use of proceeds as set out in the Prospectus and the UOP Announcement.

The below table sets out the proposed and actual applications of the net proceeds from the Listing Date to 30 September 2023:

	Planned use of Net Proceeds as disclosed in the Prospectus <i>HK\$ million</i>	Unutilised Net Proceeds brought forward as at 1 October 2022 <i>HK\$ million</i>	Revised allocation of unutilised Net Proceeds as at the date of UOP Announcement <i>HK\$ million</i>	Net Proceeds utilised during the year ended 30 September 2023 <i>HK\$ million</i>	Actual use of Net Proceeds from the Listing Date to 30 September 2023 <i>HK\$ million</i>	Unutilised Net Proceeds as at 30 September 2023 <i>HK\$ million</i>	Expected timeline for utilising the unutilised Net Proceeds
Apply for additional licences	39.5	30.3	-	-	9.2	-	N/A
Fund the initial costs of the Group’s construction projects	21.8	-	-	-	21.8	-	N/A
Strengthening the Group’s manpower	13.9	4.3	2.3	2.6	12.2	1.7	30 September 2024
Investment in the new information system	2.7	1.0	0.6	0.4	2.1	0.6	30 September 2024
General working capital	8.7	-	30.3	11.8	20.5	18.5	30 September 2024
	<u>86.6</u>	<u>35.6</u>	<u>33.2</u>	<u>14.8</u>	<u>65.8</u>	<u>20.8</u>	

During the year ended 30 September 2023, the Net Proceeds were expected to be utilised in the manners as disclosed in the Prospectus and the UOP Announcement. Save as disclosed in the UOP Announcement, there has been no change in the use of Net Proceeds since the Listing Date.

Up to 30 September 2023, approximately HK\$65.8 million out of Net Proceeds had been utilised. The remaining unutilised Net Proceeds of approximately HK\$20.8 million were deposited in licensed banks in Hong Kong. The Company intends to apply the Net Proceeds in the manner as stated in the Prospectus and the UOP Announcement. The Directors will constantly evaluate the Group's business objectives and specific needs from time to time. Further announcement will be made if there are any changes on the use of Net Proceeds as and when appropriate. Such amounts are expected to be fully utilised on or before 30 September 2024.

The business objectives, future plans and planned use of Net Proceeds as stated in the Prospectus and the UOP Announcement were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus and the UOP Announcement while the Net Proceeds were applied based on the actual development of the Group's business and the industry.

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's cash and maintaining a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

CHARGE ON GROUP ASSETS

As at 30 September 2023, the Group has pledged certain motor vehicles with net book value amounted to approximately HK\$0.5 million (2022: certain motor vehicles with net book value amounted to approximately HK\$0.7 million) under non-cancellable lease agreements.

As at 30 September 2023, the Group paid a cash collateral of approximately HK\$1.1 million (2022: approximately HK\$5.1 million) to the insurance companies for the issuance of surety bonds and are included in other receivables, deposits and prepayments.

FOREIGN EXCHANGE EXPOSURE

For the Group's operation in Hong Kong, the major revenue and expenses are denominated in Hong Kong dollars, while there are certain monetary assets and monetary liabilities that are denominated in Renminbi, which would expose the Group to foreign exchange risk. The Group currently does not have a foreign currency hedging policy. However, the management of the Company monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises. For the Group's operation in the PRC, the major revenue and expenses are denominated in Renminbi.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

During the year ended 30 September 2023, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates or joint ventures.

Save as disclosed in this announcement, the Group did not have other plans for material investments or acquisitions of capital assets as at 30 September 2023.

CORPORATE GOVERNANCE PRACTICE

The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules. The Company has fully complied with the CG Code during the year ended 30 September 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by directors. Having made specific enquiry, all Directors have fully complied with the required standards set out in the Model Code during the year ended 30 September 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 30 September 2023.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 17 September 2018. The chairman of the Audit Committee is Mr. Pang Ka Hang, the independent non-executive Director, and other members included Mr. Leung Bing Kwong Edward and Mr. Wong Chun Nam, the independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the Stock Exchange’s website and on the Company’s website.

The primary duties of the Audit Committee are mainly to oversee the financial reporting system, risk management and internal control systems and relationship with the external auditors and to review arrangements to enable employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the year ended 30 September 2023, the Audit Committee held two meetings to review and comment on the Company’s 2022 annual results and 2023 interim results as well as the Company’s internal control procedures and risk management systems.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the consolidated financial statements for the year ended 30 September 2023. The final results announcement of the Group for the year ended 30 September 2023 has been reviewed by the Audit Committee.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position as at 30 September 2023, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 September 2023 as set out in the preliminary announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 30 September 2023. The work performed by HLB Hodgson Impey Cheng 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 HKICPA and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

APPRECIATION

Dr. Lau Chi Wang, the chairman of the Board, would like to express his sincerest gratitude to the shareholders, customers, suppliers and subcontractors for the continuous support. He would also like to send his warmest thanks to all the management and staff members of the Group for the hard work and dedication throughout the year.

By order of the Board
Ri Ying Holdings Limited
Lau Chi Wang
Chairman and Executive Director

Hong Kong, 29 December 2023

As at the date of this announcement, the Board comprises Dr. Lau Chi Wang, Mr. Lau Chi Ming, Dr. Lau Chi Keung, Mr. Sun Wei and Ms. Lan Yan Ki Patricia as executive Directors; Mr. Leung Bing Kwong Edward, Mr. Pang Ka Hang and Mr. Wong Chun Nam as independent non-executive Directors.