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**Million Hope Industries Holdings Limited**  
**美亨實業控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1897)**

**ANNOUNCEMENT OF FINAL RESULTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**SUMMARY OF RESULTS**

For the year ended 31 March 2024, Million Hope Industries Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) recorded revenue of HK\$603.5 million, representing a slight decrease of 0.6% as compared to that of HK\$607.2 million for the year ended 31 March 2023. The major projects that generated revenue for the current year included residential development projects at N.K.I.L. 6579 Lung Cheung Road, TPTL 244 Pak Shek Kok, K.I.L 11264 Ho Man Tin Station, TMTL 483 Tuen Mun Siu Hong and No. 11 Ngau Tau Kok Road. The Group’s gross profit amounted to HK\$55.5 million in the current year, increased by HK\$17.7 million as compared to that of HK\$37.8 million last year, as the gross profit margin increased from 6.2% last year to 9.2% this year. The lower gross profit margin last year was mainly due to extra costs incurred by the Group to speed up the installation process in some construction sites whose work programmes were delayed as a result of COVID-19 pandemic.

Despite the increase in gross profit, the consolidated profit attributable to owners of the Company for the current year decreased to HK\$11.5 million, decreased by HK\$0.6 million or 5.0% as compared to HK\$12.1 million last year, mainly attributable to (i) the increase in the share of loss of a joint venture by HK\$6.7 million and the increase in the impairment loss under expected credit loss model recognised for the loan to a joint venture by HK\$5.5 million in the current year due to the impairment loss recognised on the residential properties under development in No. 55 Nga Tsin Wai Road, Kowloon Tong in such joint venture; (ii) the increase in administrative expenses of HK\$2.6 million in the current year mainly due to the increase in staff costs; and (iii) the increase in tax expenses of HK\$3.7 million in the current year as a result of increased operating profit.

The basic earnings per share and diluted earnings per share for the year were HK\$0.03, remained unchanged when compared with HK\$0.03 last year.

The net asset value of the Group as at 31 March 2024 amounted to HK\$526.5 million (31 March 2023: HK\$532.0 million), decreased by HK\$5.5 million or 1.0% as compared to that of last year, mainly due to dividends paid to shareholders and repurchase of shares, netting off profits earned during the current year. Net asset value per share as at 31 March 2024 was HK\$1.28 (31 March 2023: HK\$1.27).

## **DIVIDEND**

The Board has declared a second interim dividend (in lieu of a final dividend) of HK1.7 cents per share for the year ended 31 March 2024 (2023: HK1.7 cents per share) to shareholders whose names appear on the register of members of the Company on 19 July 2024. This, together with the first interim dividend of HK0.8 cents per share (2023: HK0.8 cents per share) distributed during the year, gives a total dividend of HK2.5 cents per share for the year (2023: HK2.5 cents per share). The second interim dividend will be paid on 2 August 2024 and shall be paid out of the Company's other reserves account.

## **CLOSURE OF REGISTER OF MEMBERS FOR SECOND INTERIM DIVIDEND**

The register of members of the Company will be closed from 17 July 2024 to 19 July 2024, both days inclusive, for the purpose of determining the identity of members who are entitled to the second interim dividend for the year ended 31 March 2024. In order to qualify for the second interim dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 16 July 2024.

## **CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING**

The register of members of the Company will be closed from 15 August 2024 to 20 August 2024, both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the Company's forthcoming annual general meeting (the "AGM") scheduled to be held on 20 August 2024. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 14 August 2024.

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

*For the year ended 31 March 2024*

|   | <i>NOTES</i> | <b>2024</b><br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| Revenue   | <i>3</i>     | <b>603,549</b>                 | 607,198                 |
| Cost of sales   |              | <u><b>(548,089)</b></u>        | <u>(569,351)</u>        |
| Gross profit  |              | <b>55,460</b>                  | 37,847                  |
| Other income  | <i>5</i>     | <b>7,518</b>                   | 7,490                   |
| Other gains and losses  | <i>6</i>     | <b>641</b>                     | (344)                   |
| Impairment loss under expected credit loss model, net         |              |                                |                         |
| – trade debtors and contract assets                           |              | <b>(1,542)</b>                 | (1,242)                 |
| – loan to a joint venture                                     |              | <b>(5,533)</b>                 | –                       |
| Loss on change in fair value of investment properties         |              | <b>(1,100)</b>                 | (600)                   |
| Administrative expenses                                       |              | <b>(30,804)</b>                | (28,202)                |
| Share of loss of a joint venture                              |              | <b>(6,769)</b>                 | (73)                    |
| Finance costs   |              | <u><b>(2,113)</b></u>          | <u>(2,215)</u>          |
| Profit before taxation  | <i>7</i>     | <b>15,758</b>                  | 12,661                  |
| Taxation  | <i>8</i>     | <u><b>(4,303)</b></u>          | <u>(555)</u>            |
| Profit for the year   |              | <u><b>11,455</b></u>           | <u>12,106</u>           |
| Other comprehensive expense:                                  |              |                                |                         |
| Item that may be subsequently reclassified to profit or loss: |              |                                |                         |
| Exchange differences on translation of foreign operations     |              | <u><b>(4,451)</b></u>          | <u>(6,251)</u>          |
| Total comprehensive income for the year                       |              | <u><b>7,004</b></u>            | <u>5,855</u>            |
| Earnings per share  |              |                                |                         |
| basic (HK\$)  | <i>10</i>    | <u><b>0.03</b></u>             | <u>0.03</u>             |
| diluted (HK\$)  | <i>10</i>    | <u><b>0.03</b></u>             | <u>0.03</u>             |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

|                                       | NOTES | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|---------------------------------------|-------|------------------|------------------|
| Non-current assets                    |       |                  |                  |
| Investment properties                 |       | 28,700           | 29,800           |
| Property, plant and equipment         |       | 109,177          | 116,011          |
| Right-of-use assets                   |       | 4,371            | 4,961            |
| Interest in a joint venture           |       | –                | 6,714            |
| Loan to a joint venture               |       | 74,754           | 72,715           |
| Deferred tax assets                   |       | 2,229            | 1,724            |
|                                       |       | <u>219,231</u>   | <u>231,925</u>   |
| Current assets                        |       |                  |                  |
| Inventories                           |       | 42,541           | 61,290           |
| Debtors, deposits and prepayments     | 11    | 100,077          | 155,564          |
| Contract assets                       |       | 92,822           | 132,865          |
| Tax recoverable                       |       | 11               | –                |
| Cash and cash equivalents             |       | 193,326          | 77,564           |
|                                       |       | <u>428,777</u>   | <u>427,283</u>   |
| Current liabilities                   |       |                  |                  |
| Trade and other payables              | 12    | 48,281           | 50,442           |
| Provisions                            |       | 15,721           | 15,751           |
| Contract liabilities                  |       | 622              | 21               |
| Tax payable                           |       | 10,085           | 6,940            |
| Lease liabilities                     |       | 183              | 184              |
| Deferred income                       |       | 57               | 57               |
|                                       |       | <u>74,949</u>    | <u>73,395</u>    |
| Net current assets                    |       | <u>353,828</u>   | <u>353,888</u>   |
| Total assets less current liabilities |       | <u>573,059</u>   | <u>585,813</u>   |
| Non-current liabilities               |       |                  |                  |
| Provisions                            |       | 46,530           | 53,518           |
| Lease liabilities                     |       | 23               | 167              |
| Deferred income                       |       | 28               | 84               |
|                                       |       | <u>46,581</u>    | <u>53,769</u>    |
|                                       |       | <u>526,478</u>   | <u>532,044</u>   |
| Capital and reserves                  |       |                  |                  |
| Share capital                         | 13    | 41,161           | 41,760           |
| Reserves                              |       | 485,317          | 490,284          |
|                                       |       | <u>526,478</u>   | <u>532,044</u>   |

## 1. GENERAL

The Company was incorporated and registered in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of Cayman Islands. Its shares were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”) which is the functional currency of the Company.

The Company is an investment holding company and its subsidiaries are principally engaged in design, supply and installation of aluminium windows and curtain walls.

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

### **New and amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

|  |  |
|--|--|
| HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17) | Insurance Contracts  |
| Amendments to HKAS 1 and HKFRS Practice Statement 2                            | Disclosure of Accounting Policies  |
| Amendments to HKAS 8   | Definition of Accounting Estimates   |
| Amendments to HKAS 12  | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to HKAS 12  | International Tax Reform – Pillar Two Model Rules                                |

Except as described below, the application of the other new and the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the other disclosures set out in these consolidated financial statements.

## **Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”**

The Group has applied the amendments for the first time in the current year. HKAS 1 “Presentation of Financial Statements” is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 “Making Materiality Judgements” (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies in the consolidated financial statements.

### 3. REVENUE

Revenue represents the fair value of amounts received and receivable from the provision of design, supply and installation of aluminium windows and curtain walls services by the Group to external customers which is recognised over time as the Group's contract work enhances an asset that the external customers control as the Group performs. The Group's revenue is derived from long-term contracts in relation to provision of design, supply and installation of aluminium windows and curtain walls services in Hong Kong and Mainland China during the year.

|  | <b>2024</b>            | 2023            |
|--|------------------------|-----------------|
|  | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Provision of design, supply and installation of aluminium windows and curtain walls services | <b><u>603,549</u></b>  | <u>607,198</u>  |

The customers of the Group are mainly property developers and main contractors in Hong Kong and Mainland China. All of the Group's provision of design, supply and installation of aluminium windows and curtain walls services are made directly with the customers. Contracts with the Group's customers are mainly fixed-price contracts, except for the variation orders.

#### Disaggregation of revenue

##### *By contract type*

|  | <b>2024</b>            | 2023            |
|--|------------------------|-----------------|
|  | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Design, supply and installation for curtain walls, aluminium windows, doors and other products for new buildings ( <i>notes i and ii</i> ) | <b>536,708</b>         | 453,984         |
| Design, supply and installation for aluminium windows, doors and other products for new buildings ( <i>note ii</i> )                       | <b>54,508</b>          | 130,443         |
| Repairing, maintenance and others ( <i>note iii</i> )  | <b><u>12,333</u></b>   | <u>22,771</u>   |
| Total  | <b><u>603,549</u></b>  | <u>607,198</u>  |

##### *Notes:*

- (i) The contract type involves aluminium windows, doors and other products in addition to curtain walls. The curtain walls are the principal products for the contract type and the principal revenue from this contract type is also from curtain walls.
- (ii) Other products represent balustrade, louvre, cladding, window wall, canopy and grille.
- (iii) Others mainly represent mock up, window testing and renovation works.

## Performance obligations for contract with customers

The Group provides design, supply and installation of aluminium windows and curtain walls services under long-term contracts with customers. Such contracts are entered into before the design, supply and installation of aluminium windows and curtain walls services begin. The Group's supply and installation of aluminium windows and curtain walls enhances an asset that the external customers control as the Group performs. Revenue from provision of design, supply and installation of aluminium windows and curtain walls services is therefore recognised over time using output method, i.e. based on units of products installed or based on surveys of supply and installation of aluminium windows and curtain walls services completed by the Group to date as certified by independent surveyors appointed by the customers in relation to the work completed by the Group.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed. The contract assets are transferred to trade debtors when the rights become unconditional.

Retention money, prior to expiration of defect liability period, are classified as contract assets, which ranges from one to three years from the date of the practical completion of the construction. The relevant amount of contract asset is reclassified to trade debtors when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed-upon specifications and such assurance cannot be purchased separately.

## Transaction price allocated to the remaining performance obligations for contracts with customers

Transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of reporting period and the expected timing of recognising revenue are as follows:

|  | <b>2024</b>            | 2023            |
|--|------------------------|-----------------|
|  | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Within one year                                | <b>471,696</b>         | 513,730         |
| More than one year but not more than two years | <b>313,337</b>         | 430,825         |
|  | <b><u>785,033</u></b>  | <u>944,555</u>  |



#### 4. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment focuses on revenue analysis by contract type. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

##### Geographical information

Information about the Group's revenue from external customers is presented based on the geographical location of the projects:

|                | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| Hong Kong      | 602,858                 | 564,338                 |
| Mainland China | 691                     | 42,860                  |
|                | <u>603,549</u>          | <u>607,198</u>          |

Information about the Group's non-current assets (excluding deferred tax assets and financial instruments) is presented based on the location of assets:

|                | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| Hong Kong      | 130,100                 | 142,800                 |
| Mainland China | 12,148                  | 14,686                  |
|                | <u>142,248</u>          | <u>157,486</u>          |

##### Information about major customers

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

|            | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|------------|-------------------------|-------------------------|
| Customer a | 327,723                 | 158,121                 |
| Customer b | 89,481                  | N/A <sup>1</sup>        |
| Customer c | 84,225                  | 128,773                 |
| Customer d | N/A <sup>1</sup>        | 116,997                 |
| Customer e | N/A <sup>1</sup>        | 83,861                  |
|            | <u>N/A<sup>1</sup></u>  | <u>83,861</u>           |

<sup>1</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

## 5. OTHER INCOME

|                                   | <b>2024</b>            | 2023            |
|-----------------------------------|------------------------|-----------------|
|                                   | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Interest income                   | 4,022                  | 1,238           |
| Sales of scrap materials          | 2,380                  | 1,198           |
| Rental income                     | 960                    | 997             |
| Government grants ( <i>note</i> ) | 56                     | 3,889           |
| Others                            | 100                    | 168             |
|                                   | <u>7,518</u>           | <u>7,490</u>    |

*Note:* During the year ended 31 March 2023, the Group recognised government grants of HK\$3,824,000 (2024: nil) in respect of COVID-19-related subsidies relates to Employment Support Scheme provided by the Hong Kong Government.

## 6. OTHER GAINS AND LOSSES

|                         | <b>2024</b>            | 2023            |
|-------------------------|------------------------|-----------------|
|                         | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Exchange gains (losses) | <u>641</u>             | <u>(344)</u>    |

## 7. PROFIT BEFORE TAXATION

|   | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Profit before taxation has been arrived at after charging<br>(crediting): |                         |                         |
| Directors' emoluments   |                         |                         |
| Fees  | 2,200                   | 2,200                   |
| Other emoluments  | <u>3,981</u>            | <u>3,873</u>            |
|   | 6,181                   | 6,073                   |
| Other staff costs   |                         |                         |
| Salaries and other benefits   | 87,096                  | 82,669                  |
| Retirement benefits scheme contributions for other staff                  | <u>6,454</u>            | <u>5,863</u>            |
| Total staff costs   | 99,731                  | 94,605                  |
| <i>Less: Staff costs included in cost of inventories</i>                  | <u>(15,987)</u>         | <u>(16,317)</u>         |
|   | <u>83,744</u>           | <u>78,288</u>           |
| Depreciation of right-of-use assets                                       | 413                     | 403                     |
| Depreciation of property, plant and equipment                             | 6,743                   | 7,747                   |
| <i>Less: Depreciation expenses capitalised in inventories</i>             | <u>(1,730)</u>          | <u>(2,308)</u>          |
|   | <u>5,426</u>            | <u>5,842</u>            |
| Auditor's remuneration  | 1,630                   | 1,655                   |
| Cost of inventories recognised as expenses                                | <u><u>232,215</u></u>   | <u><u>242,220</u></u>   |

## 8. TAXATION

|   | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| The taxation charge (credit) comprises: |                         |                         |
| Current taxation                        |                         |                         |
| Hong Kong Profits Tax                   |                         |                         |
| Current year                            | 4,918                   | 1,278                   |
| Over-provision                          | <u>(110)</u>            | <u>(63)</u>             |
|   | 4,808                   | 1,215                   |
| Deferred taxation                       | <u>(505)</u>            | <u>(660)</u>            |
|   | <u><u>4,303</u></u>     | <u><u>555</u></u>       |

Hong Kong Profits Tax for both years is calculated at 16.5% of the estimated assessable profits for the year, except for the group entity which is a qualifying corporation under the two-tiered profits tax rates regime. For this group entity, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Under the Law of the Peoples's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%. No provision for taxation in the PRC recognised for the years ended 31 March 2023 and 2024 as there was no assessable profit for both years.

## 9. DIVIDENDS

|  | <b>2024</b>     | 2023     |
|--|-----------------|----------|
|  | <b>HK\$'000</b> | HK\$'000 |
| Dividends for ordinary shareholders of the Company recognised as distribution during the year:   |                 |          |
| 2024 first interim dividend – HK0.8 cents per share (2023: 2023 first interim dividend – HK0.8 cents per share)  | <b>3,300</b>    | 3,347    |
| 2023 second interim dividend – HK1.7 cents per share (2023: 2022 second interim dividend – HK2.1 cents per share)  | <b>7,071</b>    | 8,792    |
|  | <b>10,371</b>   | 12,139   |
|  | <b>2024</b>     | 2023     |
|  | <b>HK\$'000</b> | HK\$'000 |
| Proposed second interim dividend for the financial year ended 31 March 2024 of HK1.7 cents per share (2023: for the financial year ended 31 March 2023 of HK1.7 cents per share) | <b>6,991</b>    | 7,079    |

## 10. EARNINGS PER SHARE

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

|   | <b>2024</b>             | 2023        |
|---|-------------------------|-------------|
|   | <b>HK\$'000</b>         | HK\$'000    |
| <u>Earnings</u>   |                         |             |
| Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share | <b>11,455</b>           | 12,106      |
|   | <b>Number of shares</b> |             |
|   | <b>2024</b>             | 2023        |
| <u>Weighted average number of shares</u>  |                         |             |
| Weighted average number of ordinary shares for the purpose of basic earnings per share                            | <b>413,573,849</b>      | 418,320,118 |
| Effect of dilutive potential ordinary shares:   |                         |             |
| Adjustment in relation to share options granted by the Company  | –                       | 54,132      |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share                          | <b>413,573,849</b>      | 418,374,250 |

The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share has been taken into account the ordinary shares repurchased from the market during the years ended 31 March 2024 and 2023 and subsequently cancelled after the respective reporting date.

The diluted earnings per share for the year ended 31 March 2024 has not included the effect from the Company's share options because the exercise prices of the share options were higher than the average market price of the shares of the Company.

## 11. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group allows a credit period of 30 to 90 days to its customers. Before accepting any new customer, the Group will internally assess the credit quality of the potential customers and define appropriate credit limit. Other receivables are unsecured, interest-free and repayable on demand.

The following is an aged analysis of the trade debtors presented based on the right to consideration became unconditional/invoice date at the end of the reporting period:

|                | <b>2024</b>            | 2023            |
|----------------|------------------------|-----------------|
|                | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Within 30 days | <b>24,234</b>          | 58,847          |
| 31 – 60 days   | <b>32,921</b>          | 28,793          |
| 61 – 90 days   | –                      | 6,958           |
| Over 90 days   | <b>32,633</b>          | 37,868          |
|                | <b>89,788</b>          | 132,466         |

## 12. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

|                | <b>2024</b>            | 2023            |
|----------------|------------------------|-----------------|
|                | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Within 30 days | <b>3,310</b>           | 5,834           |
| 31 – 60 days   | <b>61</b>              | 115             |
| 61 – 90 days   | <b>20</b>              | 412             |
| Over 90 days   | <b>707</b>             | 610             |
|                | <b>4,098</b>           | 6,971           |

### 13. SHARE CAPITAL

|  | <b>Number<br/>of shares</b> | <b>Share<br/>capital<br/>HK\$'000</b> |
|--|-----------------------------|---------------------------------------|
| Ordinary shares of HK\$0.1 each                        |                             |                                       |
| Authorised:  |                             |                                       |
| As at 1 April 2022, 31 March 2023 and<br>31 March 2024 | <u>5,000,000,000</u>        | <u>500,000</u>                        |
| Issued and fully paid:                                 |                             |                                       |
| At 1 April 2022  | 418,681,630                 | 41,869                                |
| Repurchased and cancelled ( <i>Note</i> )              | <u>(1,080,000)</u>          | <u>(109)</u>                          |
| At 31 March 2023                                       | 417,601,630                 | 41,760                                |
| Repurchased and cancelled ( <i>Note</i> )              | <u>(5,988,000)</u>          | <u>(599)</u>                          |
| At 31 March 2024                                       | <u>411,613,630</u>          | <u>41,161</u>                         |

*Note:* The Company repurchased 5,024,000 shares (2023: 2,254,000 shares) on the market during the year ended 31 March 2024 for an aggregated consideration paid of approximately HK\$2,174,000 (2023: HK\$997,000), in which 4,784,000 shares (2023: 1,050,000 shares) were cancelled during the year ended 31 March 2024 and 240,000 shares (2023: 1,204,000 shares) were cancelled after the reporting date. During the year ended 31 March 2023, 30,000 shares purchased in prior year were cancelled.

## **OPERATIONS REVIEW**

### **Overview**

For the year ended 31 March 2024, the Group's revenue was HK\$603.5 million compared with that of HK\$607.2 million last year.

The total outstanding amount of contracts on hand as at 31 March 2024 for the Group amounted to HK\$785.0 million.

### **Major Projects Completed During the Year**

- (1) Residential development at Lot No. 1068 in Survey District, No. 3 Off Anderson Road, Kwun Tong, Kowloon – Design, supply and installation of aluminium window and glass wall
- (2) Composite development at No. 11 Ngau Tau Kok Road, Kowloon – Design, supply and installation of curtain wall, glass wall, aluminium metal grille, glass balustrade and metal railing
- (3) Residential development at T6 & T8 for YLTL510, Yuen Long Station, New Territories – Design, supply and installation of acoustic panel

### **Major Projects Undertaken During the Year**

- (1) Residential development at TMTL 483, Siu Hong, Tuen Mun, New Territories – Design, supply and installation of curtain wall system
- (2) Residential development at TPTL 230, Tai Po Road, Tai Po Kau, New Territories – Design, supply and installation of curtain wall, canopies, windows, doors, claddings, louvres and glass balustrades
- (3) Residential development at N.K.I.L. 6579, Lung Cheung Road, Kowloon – Design, supply and installation of curtain wall system, aluminium window/louvre, glass and metal works
- (4) Residential development at Ho Man Tin Station Package One, K.I.L. 11264, Kowloon – Design, supply and installation of window and louvre



- (5) Residential development at Ho Man Tin Station Package One, K.I.L. 11264, Kowloon – Design, supply and installation of external facade works
- (6) Residential development at TPTL 244, Pak Shek Kok, Tai Po, New Territories – Design, supply and installation of curtain wall system, phase 2 (T1 to T9, T17A & T17B)

### **Major Projects Awarded During the Year**

- (1) Residential development at TMTL 496, So Kwun Wat, Tuen Mun, New Territories – Design, supply and installation of aluminium windows and curtain wall system
- (2) Rectification of aluminium windows for T2 for Dynasty Court
- (3) Industry re-development at No. 22 Yip Shing Street, Kwai Chung, Kowloon – Façade works (curtain wall) installation
- (4) Residential development at Site F, the Southside Package Six Property Development, Aberdeen Inland Lot No. 467, Hong Kong – Design, supply and installation of curtain wall system, sliding door, bi-folding door, glass wall and skylight
- (5) Renovation works at Branksome Crest, No. 3A Tregunter Path, Hong Kong – Design, supply and installation of façade works

## **FINANCIAL REVIEW**

### **Group Liquidity and Financial Resources**

The Group mainly financed its operations through internally generated cash flows and utilised the banking facilities for performance bonds for carrying out its projects during the year ended 31 March 2024. In the long term, the directors of the Company believe that the Group's operation will continue to be financed in this way. The Group had access to facilities from banks with an aggregate amount of HK\$450.0 million, of which HK\$117.7 million has been utilised for performance bonds as at 31 March 2024. There was no bank loans drawn down by the Group as at 31 March 2024. The performance bonds under these banking facilities bear charges at prevailing market condition.

The Group is prudent in managing its cash balance and maintains sound cash flow generating capability. The total cash and bank balances of the Group amounted to HK\$193.3 million as at 31 March 2024 (31 March 2023: HK\$77.6 million), which accounted for 45.1% of the current assets (31 March 2023: 18.2%).

During the year ended 31 March 2024, the Group had a net cash inflow of HK\$133.4 million in its operating activities (mainly due to decrease in inventories, debtors and contract assets), a net cash outflow of HK\$4.2 million in its investing activities (mainly due to the loan to a joint venture, partly netted off by the interest received) and a net cash outflow of HK\$12.8 million in its financing activities (mainly due to dividends paid and amounts paid for share repurchase). As at 31 March 2024, the Group was in a net cash position as there was no bank loans outstanding and the gearing ratio was not applicable. As at 31 March 2024, the Group's net current assets was HK\$353.8 million (31 March 2023: HK\$353.9 million) and the current ratio (current assets divided by current liabilities) was 5.7 times (31 March 2023: 5.8 times).

With its sufficient cash balances and banking facilities available, the Group's liquidity position will remain healthy in the coming year, with sufficient financial resources to meet its obligations, operation and future development requirements.

### **Treasury Policy**

The Group's treasury policy aims to minimise its exposure to fluctuations in the exchange rate and not to engage in any highly leveraged or speculative derivative products. Foreign currency exposures of the Group arise mainly from the purchase of raw materials using Renminbi in the Mainland China. The Group currently does not have any hedging arrangements to control the risks related to fluctuations in exchange rates, and will determine if any hedging is required, depending upon the size and nature of the exposure, and the prevailing market circumstances.

The Group does not have significant exposure to gains or losses arising from the movement of foreign currency exchange rate against the Hong Kong dollar as most of the income, expenses, assets and liabilities of the Group are denominated in Hong Kong dollar.

### **Shareholders' Funds**

As at 31 March 2024, the shareholders' funds of the Group were HK\$526.5 million, including reserves of HK\$485.3 million, a decrease of HK\$5.0 million from HK\$490.3 million as at 31 March 2023. The consolidated net asset value of the Group as at 31 March 2024 was HK\$1.28 per share, compared to the consolidated net asset value of HK\$1.27 per share as at 31 March 2023. The decrease in shareholders' funds was mainly attributable to the dividends paid to shareholders and repurchase of shares, netting off profits earned during the current year.

### **Capital Structure**

The capital structure of the Group consists of equity, comprising share capital and reserves. As at 31 March 2024 and 31 March 2023, there was no bank loans.

### **Investment in a Joint Venture**

The Group's investment in a joint venture as at 31 March 2024 represented its 50% interest in the residential redevelopment project at No. 55 Nga Tsin Wai Road, Kowloon Tong, including loan to a joint venture of HK\$74.8 million (31 March 2023: comprised interest in a joint venture of HK\$6.7 million and loan to a joint venture of HK\$72.7 million). The shared loss of the joint venture during the year ended 31 March 2024 amounted to HK\$6.8 million (for the year ended 31 March 2023: HK\$73,000), mainly resulted from the impairment loss recognised on the residential properties under development held by such joint venture.

### **Major Acquisitions and Disposals**

There was no material acquisitions and disposals that should be notified to the shareholders of the Company during the year ended 31 March 2024.

### **Details of Charges on Assets**

As at 31 March 2024, the Group did not pledge any assets to banks or other financial institutions (31 March 2023: nil).

## Performance Bonds and Contingent Liabilities

As at 31 March 2024, the Group had outstanding performance bonds in respect of construction contracts amounting to HK\$117.7 million (31 March 2023: HK\$145.6 million).

A subsidiary of the Company provided a corporate guarantee of proportionate share to a bank for securing a banking facility granted to a joint venture to finance the residential redevelopment in No. 55 Nga Tsin Wai Road, Kowloon Tong. As at 31 March 2024, 50% proportionate share of the bank loan balance is HK\$38.2 million (31 March 2023: HK\$63.1 million).

Save as disclosed above, the Group did not have significant contingent liabilities as at 31 March 2024 and 31 March 2023.

## Commitment

The Group's share of the commitment made jointly with a joint venturer relating to a joint venture, but not recognised at the end of the reporting period is as follows:

|                            | <b>31.3.2024</b>       | 31.3.2023       |
|----------------------------|------------------------|-----------------|
|                            | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Commitment to provide loan | <b><u>86,755</u></b>   | <u>93,575</u>   |

The Group will finance its portion of commitment from its internal resources.

Save as disclosed above, the Group had no material commitment as at 31 March 2024 (31 March 2023: nil).

## Employees and Remuneration Policy

As at 31 March 2024, the Group had 252 full time employees (of which 114 employees were in the Mainland China). The Group offers competitive remuneration packages, including discretionary bonus and share option scheme, and depending on the position, cash allowances, to its employees. The Group also provides retirement schemes, medical benefits, on-the-job training to its employees and sponsors its employees to attend various external training courses.

## **BUSINESS REVIEW**

In the past year, the external environment remained challenging. The Israeli-Palestinian conflict, the Russia-Ukraine war, the tense relationship between China and the United States, the continuous rise in Hong Kong interest rates, the downward trend of the property market, the tightening of the lending environment of banks and the slowdown of China's economic growth, have seriously affected the investment atmosphere and are not conducive to the recovery of Hong Kong's economy.

Faced with the above situation, property developers will endeavour to control construction costs as the pace of building development slows down. It will lead to fewer high-profit-margin construction projects. Coupled with intensified competition amongst the industry, the number of projects that can be undertaken will be reduced and the gross profit margin of the projects will be under pressure.

Against the above economic situation, the HKSAR Government, in response to the weakening of the local residential property market, has abolished the Special Stamp Duty (SSD), Buyer's Stamp Duty (BSD) and Ad Valorem Stamp Duty (AVD) on residential properties transactions and relaxed the loan-to-value ratios for owner-occupied residential properties to stimulate the local residential property market. A series of timely economic stimulus activities, such as the "Happy Hong Kong" and "Night Vibes Hong Kong" have been launched to stimulate local consumption and attract tourists to Hong Kong. We believe that the HKSAR Government's measures will boost the local residential property market, stimulate demand for residential properties, increase the number of property transactions, and we expect that there is a continued demand for new building construction.

During the year, leveraging on the Group's well-established reputation and the provision of quality products and services, the Group received new contracts amounting to HK\$536.8 million and still maintained a competitive bidding position.

## **PROSPECTS**

We expect that the HKSAR Government will continue to build more public housing and make more residential land available in the future. According to the latest Budget, the HKSAR Government will have land ready for the production of no less than 80,000 private housing units in the next five years and will make it available to the market in a timely manner, while the HKSAR Government has already secured sufficient land to meet the target of supplying 308,000 public housing units in the next ten years. In view of this, apart from continuing to provide quality services and products to meet the needs of private property developers, we will also bid for public sector projects. After the year-end, we have won the bidding of the Hong Kong Housing Society's subsidised sale of flats project. In the future, we will strive to secure more projects whenever there is a suitable project, regardless of whether it is a private sector project or a public sector project.

In addition, we have obtained product certificates in respect of aluminium windows from the Housing Authority of the HKSAR Government to become a qualified aluminium window manufacturer and supplier. We will also endeavour to bid for public housing projects under the Housing Authority, and it is expected that public housing projects will help to stabilise the Group's revenues and gross margins in the face of a decrease in private sector projects and increased competition from the industry.

In conclusion, the downward pressure on the economy is currently very strong, interest rates in Hong Kong are expected to remain at a high level for some time to come and may not be expected to fall, the purchasing power of residential properties may weaken in the near future and the development of developers' properties is likely to slow down. It is necessary for the Group to take a conservative and pragmatic approach to its operations.

The Group currently has sufficient outstanding contracts on hand which amounted to HK\$785.0 million as at 31 March 2024 and revenue is expected to remain stable in the coming year. The Group will strive to provide customers in both the public and private sectors with quality products and services, establish a good reputation and lay a solid foundation for future development.

## **CORPORATE GOVERNANCE**

The directors of the Company recognise the importance of good corporate governance practices for protection of the interests of the shareholders and are keen on maintaining high standards of corporate governance. This is reflected in terms of a quality Board and the emphasis on transparency and accountability.

During the year ended 31 March 2024, the Company has complied with all the Code Provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") except for the following deviation:

- Code Provision C.1.6 of the CG Code stipulates that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders of the Company. Mr. Cha Mou Daid, Johnson, the non-executive director of the Company, was unable to attend the Company's 2023 annual general meeting due to other important engagement.

## Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the guideline for securities transactions by directors and employees who are likely to be in possession of inside information of the Company.

Specific enquiry has been made to all directors of the Company and all directors have confirmed that they have complied with the Model Code during the year ended 31 March 2024. No incident of non-compliance of the Model Code by the employees was noted by the Company.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2024, the Company repurchased 5,024,000 shares of the Company on the market, of which 3,804,000 shares and 1,220,000 shares were repurchased pursuant to the general mandate granted by the then shareholders at the annual general meetings held on 23 August 2022 and 22 August 2023 respectively. The aggregate consideration paid (excluding transaction costs) for this repurchase was approximately HK\$2,174,000. 4,784,000 shares of these repurchased shares were cancelled during the year and the remaining 240,000 shares were subsequently cancelled in May 2024.

| Month of repurchase | Number of ordinary shares repurchased | Purchase price paid per share |                       | Aggregate consideration paid (excluding transaction costs)<br><i>HK\$'000</i> |
|---------------------|---------------------------------------|-------------------------------|-----------------------|---|
|                     |                                       | Highest<br><i>HK\$</i>        | Lowest<br><i>HK\$</i> |   |
| April 2023          | 10,000                                | 0.450                         | 0.450                 | 5   |
| June 2023           | 396,000                               | 0.410                         | 0.380                 | 161   |
| July 2023           | 1,916,000                             | 0.450                         | 0.425                 | 843   |
| August 2023         | 1,608,000                             | 0.430                         | 0.425                 | 689   |
| January 2024        | 546,000                               | 0.440                         | 0.400                 | 231   |
| February 2024       | 74,000                                | 0.450                         | 0.420                 | 32  |
| March 2024          | <u>474,000</u>                        | 0.450                         | 0.440                 | <u>213</u>  |
|                     | <u>5,024,000</u>                      |                               |                       | <u>2,174</u>  |

Save as disclosed above, during the year ended 31 March 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

## REVIEW OF ANNUAL RESULTS

The Group’s consolidated financial statements for the year ended 31 March 2024 have been reviewed by the Audit Committee of the Company.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

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 ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements of the Group for the year as approved by the Board on 28 June 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

By order of the Board  
**Million Hope Industries Holdings Limited**  
**Wong Sue Toa, Stewart**  
*Chairman*

Hong Kong, 28 June 2024

*As at the date of this announcement, the Board comprises:*

***Non-executive Chairman***

Mr. Wong Sue Toa, Stewart

***Non-executive Directors***

Mr. Cha Mou Daid, Johnson  
Mr. Chuk Kin Lun  
Mr. Chung Sam Tin Abraham  
Mr. Tai Sai Ho

***Executive Directors***

Mr. Lee Cheuk Hung (*Managing Director*)  
Mr. Wong Kin

***Independent Non-executive Directors***

Mr. Chau On Ta Yuen  
Professor Ho Richard Yan Ki  
Mr. Poon Kan Young  
Mr. Yip Kai Yung

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