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# POLYFAIR

**Polyfair Holdings Limited**

**寶發控股有限公司**

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

**(Stock Code: 8532)**

## **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2023**

### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors (the “**Directors**”) of Polyfair Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## FIRST QUARTERLY RESULTS

The board (the “**Board**”) of Directors is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 June 2023 (the “**Reporting Period**”), together with the unaudited comparative figures for the corresponding period in 2022 as follows:

	NOTES	Three months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	3	90,322	92,508
Cost of services		(84,043)	(88,127)
<b>Gross profit</b>		<b>6,279</b>	4,381
Interest revenue		118	9
Other income, gains and losses	4	7	558
Administrative expenses		(2,548)	(2,378)
<b>Profit from operation</b>		<b>3,856</b>	2,570
Finance costs	5	(2,641)	(1,175)
<b>Profit before tax</b>		<b>1,215</b>	1,395
Income tax expenses	6	(193)	(107)
<b>Profit for the period</b>	7	<b>1,022</b>	1,288
<b>Other comprehensive income after tax:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		22	30
<b>Other comprehensive income for the period, net of tax</b>		<b>22</b>	30
<b>Total comprehensive income for the period</b>		<b>1,044</b>	1,318
<b>Earnings per share</b>			
Basic (HK cents)	9	0.13	0.16
Diluted (HK cents)		0.13	0.16

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2023

	Attributable to owners of the Company					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note)	Translation reserve HK\$'000	Retained profits HK\$'000	
<b>At 1 April 2022 (Audited)</b>	8,000	37,915	3,000	38	20,072	69,025
Total comprehensive income for the period	—	—	—	30	1,288	1,368
<b>At 30 June 2022 (Unaudited)</b>	<u>8,000</u>	<u>37,915</u>	<u>3,000</u>	<u>68</u>	<u>21,360</u>	<u>70,343</u>
<b>At 1 April 2023 (Audited)</b>	<b>8,000</b>	<b>37,915</b>	<b>3,000</b>	<b>29</b>	<b>23,090</b>	<b>72,034</b>
Total comprehensive income for the period	—	—	—	22	1,022	1,044
<b>At 30 June 2023 (Unaudited)</b>	<u><b>8,000</b></u>	<u><b>37,915</b></u>	<u><b>3,000</b></u>	<u><b>51</b></u>	<u><b>24,112</b></u>	<u><b>73,078</b></u>

*Note:* Other reserve represented the difference between the share capital of the Company issued as consideration of acquiring Polyfair Construction & Engineering Limited (“**Polyfair HK**”) and issued share capital of Polyfair HK pursuant to a group reorganisation completed on 19 January 2018.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 30 June 2023*

## 1. GENERAL INFORMATION

Polyfair Holdings Limited (the “**Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 25 May 2017 and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (“**the Stock Exchange**”) on 23 February 2018. Its immediate and ultimate holding company is C.N.Y. Holdings Limited, a company incorporated in the British Virgin Islands (the “**BVI**”). The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit 1206–7, 12th Floor, Fortress Tower, 250 King’s Road, North Point, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (together referred to as the “**Group**”) are provision of design and project management services for façade and installation of curtain wall systems in Hong Kong.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”).

Other than those subsidiaries established in the People’s Republic of China (the “**PRC**”) whose functional currency is Renminbi (“**RMB**”), the functional currency of the Company and its remaining subsidiaries are HK\$.

All values are rounded to the nearest thousands (“**HK\$’000**”) except when otherwise indicated.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the three months ended 30 June 2023 have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). HKFRSs include Hong Kong Accounting Standards and interpretations. The accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated financial statements for the three months ended 30 June 2023 are consistent with those adopted in the annual report for the year ended 31 March 2023, except for the new HKFRSs issued by the HKICPA that is adopted for the first time for the Reporting Period of the Group. The adoption of the new and revised HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results of the Group. In addition, the unaudited condensed consolidated financial statements include applicable disclosures required by the GEM Listing Rules.

The unaudited condensed consolidated financial statements for the three months ended 30 June 2023 have not been audited by the Company’s independent auditors, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

The measurement basis used in the preparation of the unaudited condensed consolidated financial statements is the historical cost basis.

### 3. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amount received and receivable from provision of construction services.

An analysis of the Group's revenue is as follow:

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Construction services for residential properties	61,330	40,177
Construction services for commercial properties	28,992	52,331
	<u>          </u>	<u>          </u>
Revenue from contracts with customers	90,322	92,508
	<u>          </u>	<u>          </u>

#### Segment information

For the purpose of resources allocation and performance assessment, the chief operation decision maker (i.e. the chief executive of the Group) reviews the overall results and financial position of the Group. Accordingly, the Group presents only one single operating segment and no further analysis is presented.

#### Geographical information

No geographical information is presented as the Group's revenue are all derived from Hong Kong based on the location of services delivered and the Group's non-current assets (excluding financial assets and deferred tax assets) are substantially located in Hong Kong.

#### Timing of revenue recognition

All timing of revenue recognition is over time for the three months ended 30 June 2023 and 2022.

#### Information about major customers

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

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Customer A	36,256	40,805
Customer B	—*	18,913
Customer C	10,980	17,158
Customer D	8,841*	10,499
Customer E	23,430	2,066*
	<u>          </u>	<u>          </u>

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

#### 4. OTHER INCOME, GAINS AND LOSSES

	Three months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Exchange gains/(losses)	7	(30)
Government subsidy	–	588
	<u>7</u>	<u>558</u>

#### 5. FINANCE COSTS

	Three months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on bank borrowings and bank overdrafts	2,616	1,162
Interest on lease liabilities	25	13
	<u>2,641</u>	<u>1,175</u>

#### 6. INCOME TAX EXPENSES

	Three months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax – Hong Kong Profit Tax		
– Provision for the period	193	107
	<u>193</u>	<u>107</u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Hong Kong Profit Tax has been provided at the rate of 8.25% on assessable profits up to HK\$2 million and 16.5% on any part of assessable profit over HK\$2 million for the period ended 30 June 2023 and 2022.

According to the Enterprise Income Tax Law (中華人民共和國企業所得稅法) and the Implementation of the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法實施條例), an entity eligible as a Small Low-profit Enterprise (小型微利企業) is subject to preferential tax treatments. From 1 January 2021 to 31 December 2021, the annual taxable income not more than RMB1,000,000 of a Small Low-profit Enterprise is subject to Enterprise Income Tax calculated at 12.5% of its taxable income at a tax rate of 20%. From 1 January 2022 to 31 December 2022, the annual taxable income not more than RMB1,000,000 of a Small Low-profit Enterprise is subject to Enterprise Income Tax calculated at 12.5% of its taxable income at a tax rate of 20% and the annual taxable income between RMB1,000,000 and RMB3,000,000 is calculated at 25% of its taxable income at a tax rate of 20%. From 1 January 2023 to 31 December 2024, the annual taxable income not more than RMB3,000,000 of a Small Low-profit Enterprise is subject to Enterprise Income Tax calculated at 25% of its taxable income at a tax rate of 20%.

## 7. PROFIT FOR THE PERIOD

	<b>Three months ended 30 June</b>	
	<b>2023</b>	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
The Group's profit for the period is stated after charging the following:		
Directors' remuneration	<b>1,502</b>	1,470
Other staff costs:		
Salaries and other benefits	<b>12,222</b>	11,348
Retirement benefit schemes contributions	<b>715</b>	874
	<hr/>	<hr/>
Total staff costs*	<b>14,439</b>	13,692
	<hr/>	<hr/>
Auditor's remuneration	<b>149</b>	146
Depreciation of property, plant and equipment	<b>24</b>	50
Depreciation of right-of-use assets	<b>376</b>	409
Short-term lease rentals in respect of rented premises	<b>103</b>	109
	<hr/> <hr/>	<hr/> <hr/>

\* The staff costs were expensed in direct costs and administrative expenses amounting to HK\$13,255,000 (2022: HK\$12,354,000) and HK\$1,184,000 (2022: HK\$1,338,000) respectively.

## 8. DIVIDENDS

No dividends were paid, declared and proposed by the Company during the three months ended 30 June 2023 nor since the end of the Report Period.

The Directors do not recommend the payment of a dividend for the three months ended 30 June 2023 (Three months ended 30 June 2022: Nil).

## 9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following:

### Earnings

	<b>Three months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Earnings for the purpose of calculating basic and diluted earnings per share	<b>1,022</b>	1,288

### Number of shares

	<b>Three months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	<b>800,000</b>	800,000



## **BUSINESS REVIEW**

We are a subcontractor that provides façade and curtain wall works solutions in Hong Kong. Our solutions are customised to meet the technical specifications and performance requirements of our customers. We generally provide both design and build services in our projects, ranging from developing designs, conducting structural calculations, preparing shop drawings, sourcing and procuring building materials, arranging for building material logistics and installation works, project management to post-project completion services. We engage subcontractors to perform the installation work from time to time.

As at 30 June 2023, the Group had 7 projects in progress with a total original contract sum of approximately HK\$584.0 million, of which approximately HK\$67.0 million was recognised as revenue during the Reporting Period.

## **OUTLOOK**

The demand for façade and curtain wall works is driven by construction of residential and commercial buildings. The development of residential buildings in Hong Kong has been a major driver of façade and curtain wall works and the forecast completions in 2023 and 2024 are 19,953 new units and 26,970 new units respectively.

Another driver for the façade and curtain wall works industry is office buildings in Hong Kong. These buildings included both installation of curtain wall systems as the envelop system above the podium and the works for the building entrance, lobby and the associate stores. According to The Hong Kong Property Review 2023 compiled by the Rating and Valuation Department, office completions in 2022 soared significantly to 351,300 m<sup>2</sup>. Completions are expected to drop to 267,200 m<sup>2</sup> in 2023 and further to 105,700 m<sup>2</sup> in 2024. In 2023, new Grade A completions will account for 250,700 m<sup>2</sup>, with Sham Shui Po and the Central and Western district contributing 38% and 25% of the anticipated supply respectively. Grade A completions in 2024 will account for 86,600 m<sup>2</sup> as Kwun Tong will contribute almost half of the forecast completions.

Notwithstanding the negative impact from the economic slowdown driven by the global macro-economic conditions, the Group remains optimistic about its core business as the management believes that there is a market for quality façade and curtain wall works in Hong Kong. The Group will further strengthen its sales effort, closely monitor the status of the projects and carefully control the cost of services so as to expand its customer base and achieve sustainable business growth and long-term benefits to its shareholders. We are hoping to be more competitive and able to compete for more sizeable and profitable projects.

## **FINANCIAL REVIEW**

### **Revenue**

The total revenue of the Group decreased by approximately HK\$2.2 million or 2.4% from approximately HK\$92.5 million for the three months ended 30 June 2022 to approximately HK\$90.3 million for the three months ended 30 June 2023. Such decrease was mainly attributable to the completion of several sizable projects.

### **Cost of Services**

The Group's cost of services primarily consisted of building material costs, subcontracting charges, staff costs and other direct costs. The cost of services decreased to approximately HK\$84.0 million for the three months ended 30 June 2023 from approximately HK\$88.1 million for the three months ended 30 June 2022, representing an decrease of approximately 4.7%. The decrease was in line with the decrease in revenue.

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

The Group's gross profit increased by approximately HK\$1.9 million from approximately HK\$4.4 million for the three months ended 30 June 2022 to approximately HK\$6.3 million for the three months ended 30 June 2023. The Group's gross profit margin increased from approximately 4.7% for the three months ended 30 June 2022 to approximately 7.0% for the three months ended 30 June 2023, representing an increase of approximately 2.3 percentage point. The increase was mainly attributable to the effective cost control on projects.

### **Other Income, Gains and Losses**

Other income, gains and losses decreased by approximately HK\$0.6 million for the three months ended 30 June 2023. Such change was mainly attributable to the absence of subsidies under the Employment Support Scheme launched by the Hong Kong SAR Government for the three months ended 30 June 2023.

### **Administrative Expenses**

Administrative expenses of the Group increased by approximately HK\$0.1 million from approximately HK\$2.4 million for the three months ended 30 June 2022 to approximately HK\$2.5 million for the three months ended 30 June 2023. The increase was mainly attributable to the increase in legal and professional fee of approximately HK\$0.1 million.

## **Finance Costs**

Finance costs increased from approximately HK\$1.2 million for the three months ended 30 June 2022 to approximately HK\$2.6 million for the three months ended 30 June 2023. The increase in finance costs was mainly attributable to the increase in the average interest rate of the bank borrowings.

## **Taxation**

The income tax expenses of the Group increased by approximately HK\$0.1 million from approximately HK\$0.1 million for the three months ended 30 June 2022 to approximately HK\$0.2 million for the three months ended 30 June 2023.

## **Profit for the Period**

Profit for the period decreased from approximately HK\$1.3 million for the three months ended 30 June 2022 to approximately HK\$1.0 million for the three months ended 30 June 2023. Such decrease was mainly attributable to the net result of: (i) the increase in gross profit of approximately HK\$1.9 million; (ii) the increase in the finance costs of approximately HK\$1.5 million; (iii) the decrease in other income, gains and losses of approximately HK\$0.6 million; (iv) the increase in administrative expenses of approximately HK\$0.1 million; (v) the increase in interest revenue of approximately HK\$0.1 million; and (vi) the increase in the income tax expenses of approximately HK\$0.1 million.

## **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 30 June 2023, the interests or short positions of the Directors and the chief executive of the Company or their respective associates in Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and/or short positions which they are deemed or taken to have under such provisions of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or as otherwise notified to the Company and the Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

**(a) Interests in Shares of the Company**

Name of Director	Capacity	Long/short position	Number of Shares held	Percentage of shareholding in the Company
Mr. Chow Mo Lam	Interest of controlled corporation	Long position	600,000,000 Shares <sup>(Note)</sup>	75%

*Note:*

600,000,000 Shares are directly held by C.N.Y. Holdings Limited, a company incorporated in the BVI with limited liability, which is owned by Mr. Chow Mo Lam (“**Mr. Chow**”) as to 83% and by Mr. Yu Lap On Stephen (“**Mr. Yu**”) as to 17%. Both Mr. Chow and Mr. Yu are executive Directors. By virtue of the SFO, Mr. Chow is deemed to be interested in the 600,000,000 Shares held by C.N.Y. Holdings Limited. Each of Mr. Chow, Mr. Yu and C.N.Y. Holdings Limited is regarded as a Controlling Shareholder.

**(b) Interests in shares of the associated corporation of the Company**

Name of associated corporation	Name of Director	Capacity	Long/short position	Number of shares held	Percentage of shareholding in the associated corporation
C.N.Y. Holdings Limited	Mr. Chow Mo Lam	Beneficial owner	Long position	83 shares <sup>(Note)</sup>	83%
C.N.Y. Holdings Limited	Mr. Yu Lap On Stephen	Beneficial owner	Long position	17 shares <sup>(Note)</sup>	17%

*Note:*

600,000,000 Shares are directly held by C.N.Y. Holdings Limited, a company incorporated in the BVI with limited liability, which is owned by Mr. Chow as to 83% and by Mr. Yu as to 17%. Both Mr. Chow and Mr. Yu are the executive Directors. By virtue of the SFO, Mr. Chow is deemed to be interested in the 600,000,000 Shares held by C.N.Y. Holdings Limited. Each of Mr. Chow, Mr. Yu and C.N.Y. Holdings Limited is regarded as a Controlling Shareholder.

Save as disclosed above, as at 30 June 2023, none of the Directors or the chief executives of the Company or their respective associates had any interests and short positions in the shares, underlying shares, convertible notes or debentures of the Company or any of its associated corporations as recorded in the register maintained by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and the Stock Exchange as at 30 June 2023.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

Save as disclosed in the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures” in this report, as at 30 June 2023, so far as it was known to any Directors or chief executive of the Company, the interests which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or of whom were deemed to be directly or indirectly interested in 5% or more of the issued capital of the Company, or which were recorded in the register of interests required to be kept under Section 336 of the SFO or have notified to the Company were as follows:

Name of Director	Capacity	Long/short position	Number of Shares held	Percentage of shareholding in the Company
C.N.Y. Holdings Limited	Beneficial owner <sup>(Note 1)</sup>	Long position	600,000,000 Shares <sup>(Note 1)</sup>	75%
Ms. Hau Pak Sui	Interest of spouse <sup>(Note 2)</sup>	Long position	600,000,000 Shares <sup>(Note 2)</sup>	75%

### Notes:

1. 600,000,000 Shares are directly held by C.N.Y. Holdings Limited, a company incorporated in the BVI with limited liability, which is owned by Mr. Chow as to 83% and by Mr. Yu as to 17%. Both Mr. Chow and Mr. Yu are executive Directors. By virtue of the SFO, Mr. Chow is deemed to be interested in the 600,000,000 Shares held by C.N.Y. Holdings Limited. Each of Mr. Chow, Mr. Yu and C.N.Y. Holdings Limited is regarded as a Controlling Shareholder.
2. Ms. Hau Pak Sui is the spouse of Mr. Chow and she is deemed to be interested in the 600,000,000 Shares, in which Mr. Chow is deemed interested by virtue of the SFO.

Save as disclosed above, and as at 30 June 2023, the Directors were not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in the share capital of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

## DIRECTORS' INTERESTS IN COMPETING BUSINESSES

For the three months ended 30 June 2023 and up to the date of this report, the Directors were not aware of any business or interest of each of the Directors, or the controlling shareholders of the Company and their respective close associates (as defined under the GEM Listing Rules) that competes or may compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person has or may have within the Group.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard**"). Having made specific enquiry with all the Directors, all the Directors confirmed that they have complied with the Required Standard for the three months ended 30 June 2023.

## **SHARE OPTION SCHEME**

The Group had adopted a share option scheme for the purpose of providing incentives and rewards to participants for the contribution of the Group. Up to 30 June 2023, no share option had been granted.

## **CORPORATE GOVERNANCE**

As at 30 June 2023 and up to the date of this report, the Company has applied the principles and code provisions in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 to the GEM Listing Rules. During the three months ended 30 June 2023, to the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG Code.

## AUDIT COMMITTEE

The Company established the Audit Committee on 25 January 2018 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The written terms of reference of the Audit Committee was revised on 12 November 2018. The Audit Committee comprises three independent non-executive Directors: Dr. Lung Cheuk Wah, Mr. Man Yun Yee and Mr. Wong Chi Yung. Dr. Lung Cheuk Wah was appointed to serve as the chairman of the Audit Committee.

The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and dismissal of external auditor, review the financial statements and the information and provide advice in respect of financial reporting and oversee the internal control procedures of the Company.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2023 and this quarterly report and is of the view that such statements and report have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and the adequate disclosure had been made.

By order of the Board  
**Polyfair Holdings Limited**  
**Chow Mo Lam**  
*Chairman and Executive Director*

Hong Kong, 10 August 2023

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Chow Mo Lam, Mr. Yu Lap On Stephen and Mr. Wong Kam Man; and three independent non-executive Directors, namely Dr. Lung Cheuk Wah, Mr. Man Yun Yee and Mr. Wong Chi Yung.*

*This announcement will remain on the “Latest Listed Company Announcements” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its posting and on the website of the Company at [www.polyfaircurtainwall.com.hk](http://www.polyfaircurtainwall.com.hk).*