HAO TIAN INTERNATIONAL CONSTRUCTION INVESTMENT GROUP LIMITED
昊天國際建設投資集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1341)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

The board (the "**Board**") of directors (the "**Directors**") of Hao Tian International Construction Investment Group Limited (the "**Company**") hereby announces the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2025 (the "**Year**") together with the comparative figures for corresponding year ended 31 March 2024 (the "**Previous Year**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	**2025** ***HK$'million***	2024 *HK$'million*
Revenue	*3*	**145**	173
Cost of revenue		**(105)**	(109)
Gross profit		**40**	64
Other income		**20**	43
Other losses, net		**(41)**	(174)
Administrative expenses		**(52)**	(58)
Provision for impairment losses on financial assets (expected credit losses), net		**(64)**	(37)
Fair value loss of investment properties		**(1)**	(1)
Share of results of associates		**(94)**	(325)
Finance costs		**(9)**	(20)

	Notes	**2025** **HK$'million**	2024 *HK$'million*
Loss before taxation	*4*	**(201)**	(508)
Income tax credit/(expense)	*5*	**2**	(4)
Loss for the year		**(199)**	(512)
Other comprehensive income/(expenses) after tax:			
Items that will not be reclassified to profit or loss:			
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**(69)**	(87)
Items that may be reclassified to profit or loss:			
Share of associates' exchange differences on translating foreign operation		**(4)**	(4)
Exchange differences on translating foreign operations		**20**	(25)
Other comprehensive expenses for the year, net of tax		**(53)**	(116)
Total comprehensive expenses for the year		**(252)**	(628)
Loss for the year attributable to:			
Owners of the Company		**(190)**	(463)
Non-controlling interests		**(9)**	(49)
		(199)	(512)
Total comprehensive expenses for the year attributable to:			
Owners of the Company		**(243)**	(579)
Non-controlling interests		**(9)**	(49)
		(252)	(628)
Loss per share	*7*		
Basic (HK cents per share)		**(2.49)**	(6.08)
Diluted (HK cents per share)		**(2.49)**	(6.08)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	2025 HK$'million	2024 HK$'million
Non-current assets			
Property, plant and equipment		**165**	192
Right-of-use assets		**–**	18
Investment properties		**6**	7
Intangible assets		**5**	5
Interests in associates		**720**	798
Financial assets at FVTOCI		**202**	258
Finance lease receivables		**1**	–
Deferred tax assets		**1**	1
Properties for development		**346**	326
Other receivables and deposits		**5**	9
Other financial asset		**1**	1
Total non-current assets		**1,452**	1,615
Current assets			
Inventories		**1**	1
Trade receivables	*8*	**141**	185
Other receivables, deposits and prepayments		**19**	37
Financial assets at fair value through profit or loss ("**FVTPL**")		**–**	13
Loan receivables	*9*	**2**	20
Finance lease receivables		**2**	1
Corporate note receivables		**43**	412
Trusted and segregated bank accounts		**8**	4
Cash and cash equivalents		**41**	100
Total current assets		**257**	773
Total assets		**1,709**	2,388

	Notes	2025 HK$'million	2024 HK$'million
Current liabilities			
Lease liabilities		**11**	10
Bank and other borrowings	*10*	**31**	293
Trade payables	*11*	**3**	6
Other payables, deposits received and accruals		**79**	240
Income tax payables		**3**	5
Total current liabilities		**127**	554
Net current assets		**130**	219
Total assets less current liabilities		**1,582**	1,834
Non-current liabilities			
Lease liabilities		**15**	9
Deferred tax liabilities		**17**	22
Bank and other borrowings	*10*	**10**	28
Financial liabilities at FVTPL		**551**	539
Total non-current liabilities		**593**	598
NET ASSETS		**989**	1,236
EQUITY			
Share capital	*12*	**76**	76
Reserves		**797**	1,040
		873	1,116
Non-controlling interests		**116**	120
TOTAL EQUITY		**989**	1,236

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. GENERAL AND BASIS OF PREPARATION

Hao Tian International Construction Investment Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") is an exempted limited liability company incorporated in the Cayman Islands. In the opinion of the directors of the Company, the immediate and ultimate holding company of the Company is Hao Tian Management (China) Limited and Asia Link Capital Investment Holdings Limited, which are incorporated in Hong Kong and the British Virgin Islands respectively, and the intermediate holding company of the Company is Aceso Life Science Group Limited with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), and the ultimate controlling shareholder of the Company is Ms. Li Shao Yu ("**Ms. Li**"). The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1–1108, Cayman Islands. The principal place of business in Hong Kong is Rooms 2510–2518, 25/F, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong. The ordinary shares of the Company are listed on the Main Board of the Stock Exchange.

The Company is an investment holding company and the principal activities of the Group include: (i) rental and sales of construction machinery and spare parts; (ii) provision of repair and maintenance and transportation services; (iii) money lending services; (iv) provision of asset management, securities brokerage and other financial services; and (v) property development.

These consolidated financial statements are presented in Hong Kong Dollars ("**HK$**"), which is also the functional currency of the Company and rounded to the nearest million ("**million**"), unless otherwise stated.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to the HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to the HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

Impacts on application of Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)" (the "2020 Amendments") and Amendments to HKAS 1 "Non-current Liabilities with Covenants" (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year. The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within twelve months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current unless only if the entity recognises the option separately as an equity instrument applying HKAS 32 "Financial Instruments: Presentation".

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of the financial statements to understand the risk of the liabilities becoming repayable within twelve months after reporting period. This would include information about the covenants, the carrying amount of related liabilities, facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18 "Presentation and Disclosure in Financial Statements", which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "Presentation of Financial Statements". This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

(a) Description of segments and principal activities

Information reported to the board of directors, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The Group's reportable segments under HKFRS 8 *Operating Segments* are as follows:

(i) Rental and sales of construction machinery and spare parts business: The Group offers crawler cranes of different sizes, other mobile cranes, aerial platforms and foundation equipment in its construction machinery rental fleet in Hong Kong. The Group also sells construction machinery and spare parts in Hong Kong and Macau.

(ii) Provision of repair and maintenance and transportation service business: The Group provides repair and maintenance service for construction machinery, in particular the crawler cranes, in Hong Kong. The Group also provides transportation services which include local container delivery, construction site delivery and heavy machinery transport in Hong Kong.

(iii) Money lending business: The Group holds money lending licenses and offers mortgaged loan and personal loan in Hong Kong.

(iv) Provision of asset management, securities brokerage and other financial service business: The Group holds Securities and Future Commission licenses for conducting type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance and provides a wide range of financial services in Hong Kong.

(v) Property development business: The Group holds properties for development in Malaysia through a subsidiary.

(b) Segment profit or loss

There were no intersegment sales during the years. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The CODM makes decisions according to 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.

The segment profit or loss for the reportable segments provided to the CODM and reconciliation to loss before taxation for the years ended 31 March 2025 and 2024 are as follows:

	2025					
	Rental and sales of construction machinery and spare parts *HK$'million*	Provision of repair and maintenance and transportation services *HK$'million*	Money lending services *HK$'million*	Provision of asset management, securities brokerage and other financial services *HK$'million*	Property development *HK$'million*	Total *HK$'million*
Segment revenue						
External revenue	**128**	**6**	**1**	**10**	**–**	**145**
Segment results before the following items:	**32**	**3**	**–**	**5**	**–**	**40**
– Depreciation	**(29)**	**(1)**	**–**	**–**	**–**	**(30)**
– Reversal of provision of/(provision of) impairment losses on financial assets (expected credit losses)	**8**	**–**	**(65)**	**(7)**	**–**	**(64)**
– Impairment loss on right-of-use assets	**(26)**	**–**	**–**	**–**	**–**	**(26)**
– Interest income	**–**	**–**	**2**	**4**	**–**	**6**
– Finance costs	**(3)**	**–**	**–**	**–**	**–**	**(3)**
Segment results	**(18)**	**2**	**(63)**	**2**	**–**	**(77)**
Unallocated:						
– Other income						**14**
– Other losses, net						**(15)**
– Administrative expenses						**(9)**
– Depreciation						**(13)**
– Fair value loss of investment properties						**(1)**
– Share of results of associates						**(94)**
– Finance costs						**(6)**
Loss before taxation						**(201)**

	2024					
	Rental and sales of construction machinery and spare parts *HK$'million*	Provision of repair and maintenance and transportation services *HK$'million*	Money lending services *HK$'million*	Provision of asset management, securities brokerage and other financial services *HK$'million*	Property development *HK$'million*	Total *HK$'million*
Segment revenue						
External revenue	157	6	3	7	–	173
Segment results before the following items:	59	3	3	3	–	68
– Depreciation	(28)	(1)	–	–	–	(29)
– Impairment losses on financial assets (expected credit losses)	–	–	(35)	(2)	–	(37)
– Interest income	1	–	–	4	–	5
– Finance costs	(4)	–	–	–	–	(4)
Segment results	28	2	(32)	5	–	3
Unallocated:						
– Other income						38
– Other losses, net						(174)
– Administrative expenses						(17)
– Depreciation						(16)
– Fair value loss of investment properties						(1)
– Share of results of associates						(325)
– Finance costs						(16)
Loss before taxation						(508)

(c) Geographical information

The geographical information about the Group's revenue from external customers by location of operations and the non-current assets other than financial instruments and deferred tax assets in which the assets are physically located is detailed below:

	Revenue For the year ended 31 March		Non-current assets As at 31 March	
	2025	2024	**2025**	2024
	HK$'million	*HK$'million*	***HK$'million***	*HK$'million*
Hong Kong	**145**	173	**177**	210
United Kingdom	**–**	–	**21**	21
Malaysia	**–**	–	**346**	326
Cambodia	**–**	–	**700**	798
	145	173	**1,244**	1,355

(d) Information about major customers

During the Year, the aggregate revenue attributable to the Group's five largest customers was approximately 38.30% of the Group's total revenue (2024: approximately 43.42%).

The external customers which contributed over 10% of the total revenue of the Group for the years ended 31 March 2025 and 2024 are as follows:

	2025	2024
	HK$'million	*HK$'million*
Customer A (Note)	**21**	28

Note: It represents one of the customers from the segment of rental and sales of construction machinery and spare parts.

(e) Revenue summary

Disaggregated revenue from contracts with customers

For the year ended 31 March 2025

	Rental and sales of construction machinery and spare parts *HK$'million*	Provision of repair and maintenance and transportation services *HK$'million*	Money lending services *HK$'million*	Provision of asset management, securities brokerage and other financial services *HK$'million*	Total *HK$'million*
Sales of construction machinery and spare parts	22	–	–	–	22
Repair and maintenance and transportation service income	–	6	–	–	6
Commission income generated from asset management, securities brokerage and other financial services	–	–	–	1	1
Rental of construction machinery	106	–	–	–	106
Interest income from money lending	–	–	1	–	1
Interest income from margin financing	–	–	–	9	9
	128	6	1	10	145
Timing of revenue recognition					
At a point in time	22	–	–	1	23
Over time	106	6	1	9	122
Total	128	6	1	10	145

For the year ended 31 March 2024

	Rental and sales of construction machinery and spare parts HK$'million	Provision of repair and maintenance and transportation services HK$'million	Money lending services HK$'million	Provision of asset management, securities brokerage and other financial services HK$'million	Total HK$'million
Sales of construction machinery and spare parts	21	–	–	–	21
Repair and maintenance and transportation service income	–	6	–	–	6
Commission income generated from asset management, securities brokerage and other financial services	–	–	–	1	1
Rental of construction machinery	136	–	–	–	136
Interest income from money lending	–	–	3	–	3
Interest income from margin financing	–	–	–	6	6
	157	6	3	7	173
Timing of revenue recognition					
At a point in time	21	–	–	1	22
Over time	136	6	3	6	151
Total	157	6	3	7	173

4. LOSS BEFORE TAXATION

This is stated at after charging the followings:

	2025	2024
	HK$'million	*HK$'million*
Auditor's remuneration	**1**	1
Cost of inventories sold (included in cost of revenue)	**16**	20
Depreciation		
Depreciation of property, plant and equipment	**30**	32
Depreciation of right-of-use assets	**13**	13
Total depreciation	**43**	45
Less: depreciation of property, plant and equipment included in cost of revenue	**(28)**	(29)
	15	16
Staff costs (including directors' remuneration):		
– salaries, bonuses and allowances	**61**	55
– retirement benefit scheme contributions	**1**	1
Total staff costs	**62**	56
Less: staff costs included in cost of revenue	**(41)**	(39)
	21	17

5. INCOME TAX CREDIT/(EXPENSE)

	2025	2024
	HK$'million	*HK$'million*
Current income tax		
– Current year		
– Hong Kong	**(4)**	(6)
– Over-provision in prior years	**1**	1
	(3)	(5)
Deferred tax	**5**	1
	2	(4)

6. DIVIDENDS

No dividend has been paid or declared by the Company during the year ended 31 March 2025 (2024: Nil).

7. LOSS PER SHARE

Basic and diluted

Basic and diluted loss per share was calculated by dividing the loss for the year attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the Year.

	2025	2024
Loss for the year attributable to the owners of the Company (HK$'million)	**(190)**	(463)
Weighted average number of ordinary shares in issue (million shares)	**7,621**	7,614
Basic and diluted loss per share (HK cents)	**(2.49)**	(6.08)

8. TRADE RECEIVABLES

	2025	2024
	HK$'million	*HK$'million*
Trade receivables		
Income from rental and sales of construction machinery business	**29**	48
Less: Allowance for expected credit losses	**(4)**	(12)
	25	36
Securities brokerage	**164**	150
Less: Allowance for expected credit losses	**(48)**	(1)
	116	149
	141	185

Notes:

(a) The Group allows an average credit period of 0–30 days to its trade customers arising from the rental and sales of construction machinery and spare parts business. The credit period provided to customers can be longer based on a number of factors including the customer's credit profile and relationship with the customers. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly. The Group has a policy for allowance for expected credit losses which is based on the evaluation of the collectability and aging analysis of accounts on every individual trade debtor basis and on the management's judgment including creditworthiness and the past collection history of each customer.

Trade receivables from cash and margin clients arising from securities brokerage business are repayable on demand subsequent to the settlement date. The margin clients of the securities brokerage business are required to pledge their investments to the Group for credit facilities for securities trading.

(b) The aging analysis by invoice date of trade receivables from the rental and sales construction machinery and spare parts business before allowance for expected credit losses is as follows:

	2025	2024
	HK$'million	*HK$'million*
0–30 days	**6**	13
31–60 days	**7**	19
61–90 days	**3**	1
91–180 days	**4**	4
181–365 days	**6**	4
Over 365 days	**3**	7
	29	48

The aging analysis by invoice date of trade receivables from securities brokerage before allowance for expected credit losses is as follows:

	2025	2024
	HK$'million	*HK$'million*
0–30 days	**10**	11
31–60 days	**–**	39
61–90 days	**1**	30
91–180 days	**2**	2
181–365 days	**60**	23
Over 365 days	**91**	45
	164	150

9. LOAN RECEIVABLES

	2025	2024
	HK$'million	*HK$'million*
Secured fixed-rate loan receivables	**37**	37
Unsecured fixed-rate loan receivables	**25**	25
Less: Allowance for expected credit losses	**(60)**	(42)
	2	20

10. BANK AND OTHER BORROWINGS

	2025	2024
	HK$'million	*HK$'million*
Bank borrowings	**40**	318
Loans from other financial institutions	**1**	3
	41	321
Representing:		
Current	**31**	293
Non-current	**10**	28
	41	321
The borrowings are repayable as follows:		
On demand or within one year	**31**	293
Between 1 and 2 years	**6**	21
Between 2 and 5 years	**4**	7
	41	321
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(31)**	(293)
Amount due for settlement after 12 months	**10**	28

11. TRADE PAYABLES

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	2025	2024
	HK$'million	*HK$'million*
Within 30 days	**2**	2
31 to 60 days	**–**	2
61 to 180 days	**1**	1
181 to 360 days	**–**	–
Over 360 days	**–**	1
	3	6

12. SHARE CAPITAL

	Number of shares ('million)	HK$'million
Ordinary shares of HK$0.01 each		
Authorised:		
As at 1 April 2023, 31 March 2024 and 31 March 2025	20,000	200
Issued and fully paid:		
As at 1 April 2023	7,592	76
Issue of award shares	29	–
As at 31 March 2024 and 31 March 2025	7,621	76

13. EVENTS AFTER THE REPORTING PERIOD

On 3 October 2024, Hao Tian International Securities Limited, an indirect wholly owned subsidiary of the Company and the Company entered into a placing agreement (the "**Placing Agreement**"), pursuant to which the Company has conditionally agreed to place an aggregate of up to 1,524,224,000 placing shares (the "**Placing Shares**") at the placing price of HK$0.4 per Placing Share (the "**Placing Price**") to not less than six placees who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Placing Agreement was approved by the shareholders of the Company during the extraordinary general meeting of the Company held on 18 March 2025.

Completion has taken place on 12 May 2025, and 125,000,000 Placing Shares in aggregate have been allotted and issued by the Company to the placees at the Placing Price. The gross proceeds from the Placing was HK$50 million and the net proceeds from the Placing (after deduction of expenses of the Placing) was approximately HK$49.25 million. The total nominal value of the Placing Shares alloted and issued was HK$1,250,000. The net Placing Price, after deducting the expenses, was approximately HK$0.39 per Placing Share.

For details of the Placing, please refer to the announcements of the Company dated 3 October 2024 and 12 May 2025 and the circular of the Company dated 25 February 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Market and Business Overview

During the Year, fluctuations in both the global and local economies continued to impact the Group's financial performance.

Globally, the monetary policies of the United States ("**US**") have sustained elevated capital costs, contributing to substantial economic uncertainty. Furthermore, the recent US government policies has intensified geopolitical tensions and driven a resurgence in deglobalization trends. The proposed tariff policies of the new US government have further heightened market uncertainties, particularly in areas such as inflation, capital costs, and investment risks. As a result, many investors and corporations have adopted a more cautious approach, scaling back development and expansion plans, which in turn has contributed to a slowdown in global economic growth, including that of the Group's business operations.

The Group's core business in rental and sales of construction machinery and spare parts continued to be significantly impacted by Hong Kong's financial climate. The government forecast consolidated deficit for the fiscal years 2024/25 and 2025/26 is projected to be HK$87.2 billion and HK$67.0 billion respectively. Deficit is expected to persist for at least the next few years, posing ongoing fiscal challenges for the Hong Kong government. As a result, financial constraints may limit large-scale infrastructure investments, leading to a decline in government's project development. This deceleration directly affects the demand for the machinery rental services, thereby impacting the Group's key revenue stream.

Nevertheless, the Group remains committed to navigating these economic challenges by implementing strategic measures to enhance operational efficiency and maintain financial resilience.

During the Year, the Group's principal activities include:

- Rental and sales of construction machinery and spare parts
- Provision of repair and maintenance and transportation services
- Money lending services
- Provision of asset management, securities brokerage and other financial services
- Property development

Rental and sales of construction machinery and spare parts

The Group offers a diverse range of construction machinery through its rental fleet, including crawler cranes of various capacities, mobile cranes, aerial platforms, and foundation equipment. Construction machinery is sourced mainly from Japan, with some being sourced from Europe and China.

As of 31 March 2025, the Group operated a rental fleet of approximately 178 units of construction machinery. To ensure a diverse and up-to-date inventory, the Group periodically reviews and refreshes its equipment portfolio. The Board remains committed to overseeing daily operations and conducts regular assessments of fleet strategy and funding requirements. Adjustments to the fleet enhancement strategy may be made as necessary, taking into account operational demands, customer preferences, and prevailing market conditions. Additionally, the Group provided spare parts to support customers' maintenance needs or upon specific request.

Revenue from rental and sales of construction machinery and spare parts for the Year declined by approximately 18.5% compared to the Previous Year. The decrease was primarily due to a reduction in the number of new infrastructure projects initiated during the Year relative to the prior years, following the completion of a number of major infrastructure developments in recent years.

Provision of asset management, securities brokerage and other financial services

The Group provides a comprehensive range of financial services and holds licenses for conducting Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the "**SFO**").

During the Year, the Group's financial services business includes provision of asset management, securities brokerage, and other financial services, which generated revenue of approximately HK$10 million (2024: approximately HK$7 million), accounting for approximately 6.9% (2024: approximately 4.0%) of the Group's total revenue. Segment profit of approximately HK$2 million was recognised during the Year (2024: approximately HK$5 million). The increase in revenue was primarily driven by the growth in transaction volume and the value with the securities brokerage segment resulting from the Hong Kong's stock market becoming more active in the Year comparing to the Previous Year.

As part of the preparation of financial statements for the Year, the Company reviewed the recoverable amount of the trading right associated with its Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities as defined under the SFO. Following this assessment, no impairment loss (2024: nil) was recognised.

Money lending services

The Group holds money lender licenses under the Money Lenders Ordinance in Hong Kong and the money lending business is conducted in Hong Kong through its indirect wholly-owned subsidiaries, which grant loans to individuals and enterprises. The Group strived to adhere to a set of comprehensive policies and procedural manuals in respect of loan approval, loan renewal, loan recovery, loan compliance, monitoring and anti-money laundering.

a) The size and diversity and sources of its clients, and source of funding of the money lending business

As at 31 March 2025, the Group had loans receivable with carrying amount of approximately HK$2 million (2024: approximately HK$20 million). During the Year, the Group did not receive loan receivables from borrowers (2024: approximately HK$3 million). During the Year, the Group did not grant any new loan (2024: nil).

As at 31 March 2025, there were a total of 3 borrowers (comprising 2 individuals and 1 corporation) under the Company's Loan portfolio. The Company provides its mortgage financing service to individual and corporate clients of different backgrounds, including home owners and investment holding company, who are referred to it by sales executives. The money lending business was funded by the internal resources of the Group.

As at 31 March 2025, three loans with aggregate amount of approximately HK$2 million were overdue, all of which were supported by personal guarantee and/or secured by collaterals, with interest rate ranging from 12% to 13% per annum. A total of 2 loans with aggregate amount of approximately HK$2 million were under legal proceedings (including assets under public auctions).

As at 31 March 2025, the carrying amount of outstanding loans receivable from the three largest borrowers of the Group was HK$2 million (representing 100% to the total loans receivable of the Group) while the carrying amount of outstanding loans receivable from the largest borrower amounted to HK$2 million (representing 100% to the total loans receivable of the Group).

b) Credit risk assessment policy

The Group has performed background and credit risk assessment on the potential borrowers before granting the loans by (a) searching on their identity and background; (b) reviewing and assessing their financial information; and (c) performing an assessment on their creditability.

The Group has adopted a credit policy to manage its money lending business which includes compliance with all applicable laws and regulations, credit assessment on potential borrower and his/its assets, the credibility of the potential borrower, the necessity in obtaining collaterals and determination of suitable interest rate to reflect the risk level of the provision of loan.

The Company's money lending business offers both secured and unsecured loans to borrowers comprising individuals and corporations. The Company has adopted a credit risk policy and put in place loan approval procedures to manage its money lending business which includes compliance with all applicable laws and regulations, credit assessment on potential borrower and his/its assets, the credibility of the potential borrower, the necessity in obtaining collaterals, assessment of the use of proceeds and the source of repayment. Details of such policy and procedures are all consolidated in an Internal Control Manual which governs the operations of our money lending business and relevant staff are required to abide by in conducting their behaviours and delivering their target performance. In granting loans to clients, documents such as loan application, proof of identity, employer/income verification, proof of address and any relevant credit reports of potential borrowers. The scope of money lending services provided by the money lending business generally includes personal loans and business loans for general working capital. The Company tries to diversify the loan portfolio by providing to different borrowers to lower the concentration risk. The Company does not have preference for specific types of borrowers for loan acceptance (e.g. job/business nature of borrower). The credit risk assessment was made on a case-by-case basis and the Company generally looks at the 5 Cs in the assessment of credit risk of the borrowers, i.e. credit history, capacity to repay, capital, the loan's condition and associated collaterals. These includes but are not limited to reviewing the financials of the borrowers, considering the borrower's repayment history and evaluating whether the borrowers are in bankruptcy, receivership or liquidation. Within a loan category, the interest rates, the duration of the loan and repayment terms of the loan vary and is determined by various factors such as background and credibility of borrowers, their business plans and present and projected operation performance, the collaterals or security to be made available by these borrowers, and their repayment track records (if the loan is sought by existing borrowers or former borrowers). The determination of the loan terms reflects the risk level of the provision of loan and ensure the risk is at a controllable level.

c) *Key internal controls*

The Group also assesses and decides the necessity and the value of security/ collaterals for granting of each loan, whether to an individual or enterprise, on a case by case basis, taking into accent various factors, including but not are limited to, the repayment history, results of public search towards the borrower, the value and location of the assets owned by the borrower and the financial condition of the borrower.

For credit approval before granting loans to potential borrowers, the Company performs credit assessment to assess the potential borrowers' credit quality individually such as their identity and background, assessment on their creditability and financial background (factors such as background and credibility of borrowers, their business plans and present and projected operation performance, the collateral security to be made available by these borrowers, and their repayment track records (if the loan is sought by existing clients) are considered), as well as the value and characteristics of the collaterals to be pledged. The loan proposals will be prepared by the designated loan officer and reviewed by the risk management department of the money lending business on case specific issues in relation to the factors described above to determine if they have been thoroughly considered. Risk management department of the money lending business will discuss each case in details with loan officer to fine tune its loan proposal and will make official comments on the submission draft. The loan proposal together with the comments from risk management department of the money lending business will then be sent to the approver(s), who are Director(s) designated with such role and function for approval through physical meetings or emails. Approver(s) may also comment, add pre-conditions and improve the terms and conditions during this process. The relevant department head(s) and approver(s) will sign off the proposals once approval is obtained for proper record.

The Company has designated loan officer to closely monitor its loan portfolio, including regular communication with the borrowers on their financial position together with other measures such as monthly assessment of valuation of collaterals (if any), repayment track record of borrower(s), change of profile of borrower(s) (such as change of employment and if there is additional liabilities on the part of the borrower(s)), through which the Company will be able to keep updated with the latest credit profile and risk associated with each individual borrower and could take appropriate actions for recovery of a loan at the earliest time. Further, risk management department of the money lending business, which comprised of officers with background in finance, auditing and experience in money lending business will review the risk level of each of the loans on a daily basis and report to the senior management, including, the chief executive officer, the financial controller and the Board and in some cases, regularly on their recommendation. From time to time, the risk management department of the money lending business will alert the senior management on certain events (e.g. defaulted repayment) and advise the Company to take appropriate actions. The accounts department of the money lending business will also keep track of the repayment schedule constantly and make alerts to senior management, the financial controller and chief executive officer in case of failed or late repayment.

d) Recoverability and collection

At the end of each month, the designated loan officer will check if there is any overdue balances or late payment and risk management department as described above and will perform an independent review on the loans portfolio and closely monitor the status and report to the senior management. Usually there would be internal discussions on a case-by-case basis on what recovery actions are to be taken so that the Company could recover as soon as and as much as possible in a timely manner. Various potential means like phones calls, seizure of collaterals, statutory demand and further legal actions would be discussed. Reminder letter and statutory demand letter will be issued to the borrower when considered appropriate if there is an overdue repayment. Where appropriate, legal action will be initiated against the borrower for the recovery of the amount due and taking possession of the collaterals pledged. Actions in seizure of collaterals and realization of underlying collaterals would also be taken if necessary. Where appropriate, the Company will also petition to the court for bankruptcy/winding-up of the borrower and/or guarantor. Again, the recovery and collection decisions and processes are included in the monthly risk management report to the senior management.

The director who operates and oversees the money lending business has extensive experiences and knowledge in the industry. The risk management department of the money lending business has a senior financial manager who holds a bachelor's degree in business and an associated degree in Psychology, and has more than 15 years' experiences in the money lending industry. Each of the Company's management team, which includes the chief executive officer, the chief financial officer, the financial controller and the company secretary, possesses over 10 years of experiences in the corporate and banking industry and the field of accounting and auditing. Further, most of the Board members also possess extensive experiences in corporate financing, investments and banking and financial advisory services.

e) Compliance with Chapter 14 and/or 14A of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Money Lenders Ordinance

Our Group is required to, and has at all times, strictly comply with all relevant laws and regulations. The Company has complied with those requirements as set out in Chapter 14 and/or 14A of the Listing Rules when it granted or extended the loans to each of the respective borrowers whose loan was still outstanding as at 31 March 2025.

In addition to the Listing Rules, the Money Lenders Ordinance is the major governance on our Group's money lending business in Hong Kong. During the Year, we neither received any objection from nor investigated by the Registrar of Money Lenders (currently performed by the Registrar of Companies) or the Commissioner of Police regarding the renewal of the money lenders license.

f) ***Amount of loan receivables secured by pledge of collaterals and guarantees, and nature of the collaterals***

	31 March 2025 *HK$'million*	31 March 2024 *HK$'million*
Hong Kong money lending business		
– Secured only by shares and properties	**2**	3
– Secured only by receivables and properties and personal guarantees	**–**	17
	2	20

g) ***Maturity profile of loan receivables***

	31 March 2025 *HK$'million*	31 March 2024 *HK$'million*
Hong Kong money lending business		
Due within 1 year	**2**	20
	2	20

h) ***Mortgage loan and personal loan interest rate***

The mortgage loan interest rate is 12% per annum (2024: 12% per annum). The personal loan interest rate ranges from 12% to 13% per annum (2024: 12% to 13% per annum).

i) ***Reasons for the movements in provision of impairment loss in the Year***

The provision for expected credit loss of loans receivables recognised in the consolidated statement of profit and loss for the Year was approximately HK$18 million (2024: provision of approximately HK$25 million). The provision was due to the loans and interest a total of approximately HK$62 million being overdue.

The Company adopted the requirements in respect of ECL assessment set forth in HKFRS 9 issued by the HKICPA in determining the impairment loss allowance for its loan receivables. The details of the accounting policies in respect of the impairment assessment of financial assets are set out in the Annual Report. The Company has taken into account the following factors on the impairment assessment for the outstanding loans and unlisted debt securities due from the connected parties and independent third parties in accordance with the HKFRS 9: (i) the probability of default and the likelihood that the borrowers may fail to repay the loans. The Company will perform due diligence on the financial statements and consider the macro-environment and the latest announcements of the borrowers. The repayment history of the borrowers will also be taken into account; (ii) the loss given default and the expected cash shortfall between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. The Company will consider the value of the collaterals pledged for the loans, if any; and (iii) forward-looking market data such as gross domestic product will also impact on the recoverability of the loans. The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

As at 31 March 2025, the management had engaged an independent qualified valuer to determine the expected credit losses of the Group's loans receivable (the "**Loans Receivable ECL**"). In assessing the Loans Receivable ECL of the Group, a credit rating analysis of the underlying debtors was adopted by reviewing the historical accounting information to estimate the default risk. The Group applied different expected loss rates to different classes of receivables according to their respective risk characteristics. In determining the default risk, factors including but not limited to, the ageing analysis of the receivables, the Group's internal assessment of the debtors' creditworthiness, historical and forecast occurrence of event of default, existence and valuation of the collaterals, the relevant regulatory framework and government policies in Hong Kong and global economic outlook in general and the specific economic condition of Hong Kong would be considered. The rate of Loans Receivable ECL ranged from 61% to 100% (2024: 34% to 100%) depending on the nature, probability of default and loss of the loans receivable.

Property development business

The Group has property development projects in Cambodia and Malaysia. In Cambodia, the Council of Ministers approved the project company to establish a special economic zone with a site area of 17,252,519 square meters at Koh Kong Province, Cambodia. The project company shall have the sole and exclusive right to develop the special economic zone with all the necessary land use rights, including those for residential, industrial and commercial development purposes. The project was still in its preliminary stage during the Year.

The Group has another property development project in Malaysia. The project is a residential and commercial mixed property development project located at Port Dickson, Negeri Sembilan, Malaysia with a site area of 267,500 square meters. The property is held for a lease term of 99 years expiring on 8 February 2097 for residential and commercial building uses. The project was still in its preliminary stage during the Year.

FINANCIAL REVIEW

The Group recorded a loss of approximately HK$199 million for the Year (2024: approximately HK$512 million) and the total revenue was approximately HK$145 million (2024: approximately HK$173 million).

Rental and sales of construction machinery and spare parts, provision of repair and maintenance services and transportation services

During the Year, the sales of construction machinery and spare parts, rental income generated from construction machinery and income from provision of repair and maintenance and transportation were approximately HK$22 million (2024: approximately HK$21 million), approximately HK$106 million (2024: approximately HK$136 million) and approximately HK$6 million (2024: approximately HK$6 million), respectively. The decrease in rental income was mainly attributable to the decline in occupancy rate of 70% (2024: 85%) as some major construction sites (e.g. Hong Kong International Airport 3rd runway and Tseung Kwan O – Lam Tin Tunnel) have been completed in recent years without new and substantial infrastructure project being supplemented.

Money lending services, asset management, securities brokerage and other financial services

During the Year, the total revenue from money lending services, asset management, securities brokerage and other financial services were approximately HK$11 million (2024: approximately 10 million), increased by approximately HK$1 million, or approximately 10%. Such increase was mainly attributable to the increase in the value and volume of transactions in securities brokerage resulting from the Hong Kong's stock market becoming more active in the Year comparing to the Previous Year.

Other losses, net

During the Year, other losses, net were approximately HK$41 million (2024: approximately HK$174 million), which mainly comprised of fair value losses of financial asset at FVTPL of approximately HK$4 million (2024: approximately HK$183 million), fair value losses of financial liabilities at FVTPL of approximately HK$12 million (2024: fair value gain of approximately HK$39 million), foreign exchange gain of approximately HK$1 million (2024: foreign exchange losses of approximately HK$3 million), provision for liabilities arising from financial assets at FVTPL of nil (2024: approximately HK$27 million) and provision of impairment loss on right-of-use assets of approximately HK$26 million (2024: nil).

Administrative expenses

During the Year, the administrative expenses were approximately HK$52 million (2024: approximately HK$58 million), representing a decrease of approximately 10.3% as compared with the Previous Year. Among the administrative expenses incurred during the Year, approximately HK$15 million (2024: approximately HK$16 million) was related to depreciation and non-cash in nature, and staff costs of approximately HK$21 million (2024: approximately HK$17 million).

Provision for expected credit loss of financial assets

A provision for expected credit loss of financial assets approximately HK$64 million (2024: approximately HK$37 million) were recognised during the Year. It was mainly attributable to the trade receivables and loan receivables overdue.

Share of results of associates

During the Year, the share of loss of associates of approximately HK$94 million (2024: approximately HK$325 million) was mainly attributable to the sharing of loss of the Group's investment in Cambodia, reflecting the change in fair value of the land held by the project company in Cambodia.

Finance costs

During the Year, the finance costs were approximately HK$9 million (2024: approximately HK$20 million), representing a decrease of approximately HK$11 million as compared with the Previous Year.

Taxation

During the Year, the net income tax credit was approximately HK$2 million (2024: income tax expense approximately HK$4 million).

Fair value losses on financial assets at fair value through other comprehensive income ("FVTOCI"), net

The details of the listed and unlisted securities investments and the fair value losses recognised during the Year are set out below:

Name	*Note*	Percentage of shareholdings at 31 March 2024	Percentage of shareholdings at 31 March 2025	Fair value at 31 March 2024 *HK$'million*	Fair value at 31 March 2025 *HK$'million*	Fair value (losses)/gain for the Year *HK$'million*	Percentage of total assets of the Group at 31 March 2025
Unlisted equity securities							
China Pearl Global Limited	*c*	6.00%	6.00%	181	153	(28)	8.95%
Tonsin Petrochemical Investment Limited		16.67%	16.67%	36	–	(36)	–
Empire Victory Hong Kong Limited		4.11%	4.11%	9	–	(9)	–
Listed equity securities							
Oshidori International Holdings Limited (622)	*a*	1.27%	1.25%	15	37	22	2.17%
Aceso Life Science Group Limited (474)	*b*	1.46%	3.07%	17	12	(18)	0.70%
				258	202	(69)	11.82%

Notes:

a. Oshidori International Holdings Limited ("**Oshidori**") and its subsidiaries ("**Oshidori Group**") were principally engages in investment holdings, tactical and/or strategical investments, and the provisions of financial services (i) securities brokerage services; (ii) margin financing services; (iii) placing and underwriting services; (iv) corporate finance advisory services; (v) investment advisory and asset management services; and (vi) the provision of credit and lending services.

Pursuant to the annual report of Oshidori for the year ended 31 December 2024, Oshidori recorded a revenue of approximately HK$36 million and a total comprehensive expenses of approximately HK$700 million.

The Group held 77,500,000 shares of Oshidori as at 31 March 2025 (2024: 77,500,000 shares).

b. Aceso Life Science Group Limited ("**ALS**") and its subsidiaries (collectively "**ALS Group**") were principally engaged in (i) securities investment; (ii) provision of securities brokerage and other financial services; (iii) asset management; (iv) rental and trading of construction machinery; (v) provision of repair and maintenance and transportation service; (vi) property development; (vii) property leasing and (viii) money lending.

   Pursuant to annual results announcement of ALS for the year ended 31 March 2025, ALS recorded a revenue of approximately HK$195 million and a total comprehensive expenses of approximately HK$1,056 million.

   The Group held 226,800,000 shares of ALS as at 31 March 2025 (2024: 107,550,000 shares).

c. China Pearl Global Limited, through its wholly-owned subsidiary, holds a shopping mall in Quanzhou, Fujian Province, the People's Republic of China with gross floor area of approximately 97,000 square meters (available lease out area over 65,000 square meters) and 1,089 car parks, and it leases out the complex to lessees and provides property management services to the shopping mall.

Liquidity, financial resources and capital structure

As at 31 March 2025, the Group's current assets and current liabilities were approximately HK$257 million (31 March 2024: approximately HK$773 million) and approximately HK$127 million (31 March 2024: approximately HK$554 million), respectively.

The Group has established a treasury policy with the objective of lowering cost of funds. Therefore, funding for all its operations have been centrally reviewed and monitored at the Group level. To manage the Group's exposure to fluctuations in interest rates on project, appropriate funding policies will be applied, including the use of bank and other borrowings and placing of new shares. The management will continue its efforts in obtaining the most privileged rates and favourable terms to the Group for its financing.

Gearing ratio and indebtedness

The Group monitors its capital structure based on the gearing ratio. This ratio is calculated as net debts divided by total capital. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debts. The capital structure (including its gearing ratio) as at 31 March 2025 and 31 March 2024 was as follows:

	31 March 2025 *HK$'million* **(audited)**	31 March 2024 *HK$'million* (audited)
Bank and other borrowings	**41**	321
Corporate note payables		
– at FVTPL	**551**	539
Total borrowings	**592**	860
Less: cash and cash equivalents	**(41)**	(100)
Net debts	**551**	760
Total equity	**989**	1,236
Total capital	**1,540**	1,996
Gearing ratio	**35.8%**	38.1%

The borrowings with aggregate amounts of approximately HK$6 million were carried at fixed interest rates, and approximately HK$35 million were carried at floating interest rates.

As at 31 March 2025, cash and cash equivalents were denominated in the following currencies:

	HK$'million
HK$	**36**
US$	**3**
JPY	**1**
EUR	**1**
	41

As at 31 March 2025, the maturity and currency profile for the Group's bank and other borrowings at amortised cost are set out as follows:

	Within 1 year *HK$'million*	2nd year *HK$'million*	3–5 years *HK$'million*	Total *HK$'million*
HK$	31	6	4	41

Charges on Group's assets

As at 31 March 2025, approximately 96% (2024: approximately 85%) of the Group's borrowings and other borrowings were secured by (1) property, plant and equipment and (2) investment properties.

Interest rate risk

The Group's pledged bank deposits and finance lease receivables bear fixed interest rates. The Group's cash at bank balances bear floating interest rates. The Group also has borrowings and obligation under finance leases and an interest free loan from a director. Exposure to interest rate risk exists on those balances subject to floating interest rate when there are unexpected adverse interest rate movements. The Group's policy is to manage its interest rate risk, working within an agreed framework, to ensure that there are no undue exposures to significant interest rate movements and rates are appropriately fixed when necessary.

Currency risk

The Group mainly operates in Hong Kong with most of the transactions denominated and settled in HK$, US$, JPY and EUR. The Group's exposure to foreign currency risk primarily arises from certain financial instruments including trade receivables, bank balances and cash, trade payables, borrowings and obligation under finance leases which are denominated in US$ and EUR. The Group does not adopt any hedging strategy in the long run but the management continuously monitors the foreign exchange risk exposure and might enter into foreign exchange forward contracts on a case-by-case basis. The Group has not used any hedging contracts to engage in speculative activities.

Credit risk and liquidity risk

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements.

Risk management

The Group has established and maintained sufficient risk management procedures to identify and control various types of risk within the organisation and the external environment with active management participation and effective internal control procedures in the best interest of the Group and its shareholders.

Major post-balance sheet date events

Save as disclosed in note 13 to the financial statements in this announcement, there was no significant or important subsequent event that affects the business of the Group.

Contingent liabilities

As at 31 March 2025 and 2024, the Group had no material contingent liabilities.

Employees and remuneration policy

As at 31 March 2025, the Group had 95 staffs (31 March 2024: 122). The Group generally recruits its employees from the open market or by referral and enters into employment contracts with its employees. The Group offers attractive remuneration packages to the employees. In addition to salaries, the employees would be entitled to bonuses, subject to the Company's and employees' performance. The Group provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for the eligible employees. The Group has also adopted a share award scheme.

The operation staff consists of experienced machinery operators and mechanics. While such employees are highly demanded in the market, the Group manages to maintain a relatively stable workforce by continuous recruitment from the market or through referrals. New employees are required to attend induction courses to ensure that they are equipped with the necessary skills and knowledge to perform their duties. In order to promote the overall efficiency, the Group also offers technical trainings to existing employees on the operation of more advanced construction machinery from time to time. Selected operation staff are required to attend external trainings which are conducted by the manufacturers of the construction machines to acquire up-to-date technical skills and knowledge on the products of the Group.

Placing of Shares under specific mandate

On 3 October 2024, Hao Tian International Securities Limited, an indirect wholly owned subsidiary of the Company and the Company entered into a placing agreement (the "**Placing Agreement**"), pursuant to which the Company has conditionally agreed to place an aggregate of up to 1,524,224,000 placing shares (the "**Placing Shares**") at the placing price of HK$0.4 per Placing Share (the "**Placing Price**") to not less than six placees who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons (the "**Placing**"). The Placing Agreement was approved by the shareholders of the Company during the extraordinary general meeting of the Company held on 18 March 2025.

Completion has taken place on 12 May 2025, and 125,000,000 Placing Shares in aggregate have been allotted and issued by the Company to the placees at the Placing Price. The total nominal value of the Placing Shares allotted and issued was HK$1,250,000. The gross proceeds raised from the Placing was HK$50 million and the net proceeds raised from the Placing (after deduction of expenses of the Placing) was approximately HK$49.25 million. The net Placing Price, after deducting the expenses, was approximately HK$0.39 per Placing Share.

For details of the Placing, please refer to the announcements of the Company dated 3 October 2025 and 12 May 2025 and the circular of the Company dated 25 February 2025.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend to the shareholders of the Company for the Year (2024: Nil).

MATERIAL TRANSACTIONS IN THE YEAR

Material transactions in the Year are as follows:

Formation of Joint Venture

On 29 March 2025, the Company entered into a joint venture agreement (the "**JV Agreement**") with Jiangsu Lettall Electronic Co., Ltd. ("**Jiansu Lettall**") for the establishment, operation and management of a joint venture company (the "**JV Company**"), which will be owned by the Company and Jiangsu Lettall as to 75% and 25% respectively. Pursuant to the JV Agreement, each of the Company and Jiangsu Lettall agreed to provide a capital commitment in the sum of RMB300,000,000 and RMB100,000,000 respectively. The JV Company will become a subsidiary of the Company and its operating results, assets and liabilities will be consolidated in the financial statements of the Group.

For further details, please refer to the Company's announcement dated 30 March 2025 and the paragraph headed "Business Prospects" below.

Save as disclosed in this announcement, the Group had not made other material acquisitions/disposal of subsidiaries and/or associated companies during the Year.

BUSINESS PROSPECTS

The year 2024/2025 was marked by significant global uncertainty, driven by ongoing political instability. These challenges adversely impacted the global economy, affecting trade dynamics, financial markets, and interest rates, necessitating a period of adjustment and recovery. As a result, economic uncertainty, market volatility, and geopolitical tensions are expected to continue affecting the global economic conditions throughout the years 2025/2026.

Given Hong Kong's outward-facing economy, both global and local factors will shape its financial landscape. The government deficit is anticipated to persist in the short to mid-term, impacting infrastructure investment priorities. Consequently, infrastructure development is expected to proceed at a moderate pace, reflecting fiscal constraints and prioritization of essential projects.

Given these conditions, the Group's core revenue from machinery rental is expected to face continued pressure. Nonetheless, the Company's management remains proactive, closely monitoring infrastructure opportunities announced by the Hong Kong government to identify potential business opportunities. In addition, the Group is actively pursuing new investment opportunities, including artificial intelligence initiatives and strategic collaborations with potential investors, as part of its broader strategy to diversify operations and expand into emerging markets.

Despite the challenges ahead, the Group remains committed to resilience and sustainable growth. Through strategic adaptation, disciplined financial management, and the pursuit of new business opportunities, the Group will continue to strive for excellence, delivering long-term value and success to its shareholders.

The Group is actively seeking potential investment opportunities in artificial intelligence ("**AI**") field with a view to diversifying and enhancing its asset portfolio, expanding its revenue streams and accelerating further growth of the Group as a whole. As disclosed in the paragraph headed "Material Transactions in the Year" above, In March 2025 onwards, the Company has entered into a joint venture agreement with Jiangsu Lettall (a company listed in Shanghai Stock Exchange) to form a joint venture company in People's Republic of China to engage in business of, inter alia , the development of AI computing power resources and 5G big data related business, which includes but is not limited to computing power business and related technology consultation, business planning, logistics, and trading businesses.

Looking forward, the Group will remain cautious and sensibly uphold its risk management policies, strengthen its capital management and implement stringent cost control measures to secure shareholders during economic downturn.

CORPORATE GOVERNANCE PRACTICES

The Company and the Board are devoted to achieving and maintaining high standard of corporate governance as the Board believes that effective corporate governance practices are fundamental in enhancing the shareholder value and safeguarding the interests of the Shareholders and other stakeholders. Accordingly, the Company has adopted sound corporate governance principles that emphasise a quality Board, effective internal control, stringent disclosure practices and transparency and accountability to all Shareholders.

The Company has complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules, except for the deviation from the code provision C.2.1.

Under code provision C.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual in order to ensure that there is clear division of responsibilities between the chairman of the Board and the chief executive of the Company. The Company has not appointed a chairman and the Board provides leadership for the Company. Having considered the business operation of the Group at the material time, it is believed that the Board, which consists of experienced professionals, can function effectively as a whole, while the executive Directors along with other members of senior management of the Company are capable of overseeing the day-to-day management of the Group under the strong corporate governance structure in place.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as the code of conduct of the Company regarding Directors' transactions of the listed securities of the Company. The Company has made specific enquiry to all Directors, and all Directors have confirmed that they have complied with the Model Code and its code of conduct during the Year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

AUDIT COMMITTEE

The Company established an audit committee on 23 October 2015 with written terms of reference in compliance with paragraphs C.3 of the CG Code. The audit committee currently comprises four independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan (chairman of the committee), Mr. Mak Yiu Tong, Mr. Li Chi Keung Eliot and Mr. Shek Lai Him Abraham. The primary duties of the audit committee are, among other things, to review and supervise the financial reporting process and internal control system of the Group.

The audit committee has reviewed with the management and the Group's auditor, the accounting principles and policies adopted by the Group, and discussed the financial information of the Group and this announcement.

SCOPE OF WORK OF MOORE CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, Moore CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Moore CPA Limited on the preliminary announcement.

PUBLICATION OF THIS ANNOUNCEMENT AND ANNUAL REPORT

This announcement will be published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.haotianint.com.hk). The annual report for the Year containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange and despatched to the relevant shareholders of the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the management and all the staff for their hard work and dedication, as well as its shareholders, business partners and other professional parties for their support throughout the Year.

By order of the Board
Hao Tian International
Construction Investment Group Limited
Fok Chi Tak
Executive Director

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Fok Chi Tak, Mr. Tang Yiu Chi James and Dr. Zhiliang Ou, J.P. (Australia); two non-executive Directors, namely Mr. Xu Lin and Ms. Jiang Yang; and four independent non-executive Directors, namely Mr. Mak Yiu Tong, Mr. Li Chi Keung Eliot, Mr. Shek Lai Him Abraham and Mr. Chan Ming Sun Jonathan.