



TAT HONG

**TAT HONG EQUIPMENT SERVICE CO., LTD.**

**達豐設備服務有限公司**

(incorporated in the Cayman Islands with limited liability)

Stock Code : 02153

**2025/26**  
INTERIM REPORT



# CONTENTS

- 2 **Corporate Information**
- 4 **Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**
- 6 **Unaudited Condensed Consolidated Statement of Financial Position**
- 8 **Unaudited Condensed Consolidated Statement of Changes in Equity**
- 9 **Unaudited Condensed Consolidated Statement of Cash Flows**
- 10 **Notes to the Unaudited Condensed Consolidated Financial Statements**
- 40 **Management Discussion and Analysis**
- 45 **Other Information**





# Corporate Information

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

Mr. Yau Kok San (*Chief Executive Officer*)

Mr. Lin Han-wei (*Chief Operating Officer*)

### NON-EXECUTIVE DIRECTORS

Mr. Ng San Tiong (*Chairman*)

Mr. Sun Zhaolin

Mr. Liu Xin

Mr. Wang Dongjie (appointed on 12 August 2025)

Mr. Guo Jinjun (resigned on 12 August 2025)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wan Kum Tho

Dr. Huang Chao-Jen

Ms. Pan I-Shan

## AUDIT COMMITTEE

Ms. Pan I-Shan (*Chairlady*)

Mr. Wan Kum Tho

Dr. Huang Chao-Jen

## REMUNERATION COMMITTEE

Mr. Wan Kum Tho (*Chairman*)

Ms. Pan I-Shan

Dr. Huang Chao-Jen

## NOMINATION COMMITTEE

Mr. Ng San Tiong (*Chairman*)

Mr. Wan Kum Tho

Dr. Huang Chao-Jen

Ms. Pan I-Shan (appointed on 12 August 2025)

## COMPANY SECRETARY

Ms. Oh Sim Yee

## AUTHORISED REPRESENTATIVES

Mr. Yau Kok San

Ms. Oh Sim Yee

## LEGAL ADVISER

**TC & Co., Solicitors, Hong Kong**

Units 2201-2203, 22/F., Tai Tung Building

8 Fleming Road

Wanchai, Hong Kong

## AUDITOR

**RSM Hong Kong**

*Certified Public Accountants and Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance*

29th Floor, Lee Gardens Two

28 Yun Ping Road

Causeway Bay, Hong Kong

## REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

## PRINCIPAL PLACE OF BUSINESS

### IN HONG KONG

40/F., Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

## PRINCIPAL PLACE OF BUSINESS IN CHINA

Room 601, Building 8, PortMix

No. 2377 Shenkun Road

Minhang District

Shanghai, PRC

## CAYMAN ISLANDS PRINCIPAL SHARE

### REGISTRAR AND TRANSFER OFFICE

**Conyers Trust Company (Cayman) Limited**

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

### **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

#### **Tricor Investor Services Limited**

17/F., Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### **PRINCIPAL BANKERS**

#### **United Overseas Bank (China) Limited**

No. 116/128 Yincheng Road  
Pudong New Area, Shanghai, PRC

#### **OCBC Wing Hang Bank (China) Limited**

OCBC Bank Tower  
No. 1155 Yuanshen Road  
Pudong New District  
Shanghai, PRC

#### **Bank of China (Hong Kong) Limited**

13/F, Metroplaza Tower 1  
223 Hing Fong Road  
Kwai Chung, N.T.  
Hong Kong

#### **China Merchants Bank**

No. 762, Tianshan Road  
Shanghai, PRC

### **COMPANY'S WEBSITE**

[www.tathongchina.com](http://www.tathongchina.com)

### **STOCK CODE**

2153

# Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2025

|  | Note | Unaudited<br>Six months ended<br>30 September<br>2025<br>RMB'000 | 2024<br>RMB'000 |
|--|------|--|-----------------|
| Revenue  | 7    | <b>301,146</b>   | 340,904         |
| Cost of sales  |      | <b>(276,667)</b>   | (292,895)       |
| <b>Gross profit</b>  |      | <b>24,479</b>  | 48,009          |
| Selling and distribution expenses  |      | <b>(7,336)</b>   | (8,166)         |
| General and administrative expenses  |      | <b>(37,574)</b>  | (37,468)        |
| Research and development expenses  |      | <b>(10,272)</b>  | (10,240)        |
| (Provision)/reversal of provision for financial assets and contract assets |      | <b>(338)</b>   | 270             |
| Other income   |      | <b>817</b>   | 798             |
| Other (losses)/gains, net  |      | <b>(2,530)</b>   | 1,153           |
| <b>Operating loss</b>  |      | <b>(32,754)</b>  | (5,644)         |
| Finance costs  | 8    | <b>(32,419)</b>  | (32,957)        |
| Finance income   | 8    | <b>427</b>   | 348             |
| <b>Loss before income tax</b>  |      | <b>(64,746)</b>  | (38,253)        |
| Income tax credit  | 9    | <b>9,668</b>   | 2,050           |
| <b>Loss for the period</b>   |      | <b>(55,078)</b>  | (36,203)        |
| <b>Loss for the period attributable to:</b>                                |      |  |                 |
| Owners of the Company  |      | <b>(55,629)</b>  | (36,203)        |
| Non-controlling interest   |      | <b>551</b>   | –               |
|  |      | <b>(55,078)</b>  | (36,203)        |

# Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2025

|   | Note | Unaudited<br>Six months ended<br>30 September<br>2025<br>RMB'000 | 2024<br>RMB'000 |
|---|------|--|-----------------|
| <b>Other comprehensive loss, net of tax</b>                       |      |  |                 |
| <i>Item that may be reclassified to profit or loss:</i>           |      |  |                 |
| Currency translation difference                                   |      | (8)  | (626)           |
| <b>Other comprehensive loss for the period, net of tax</b>        |      | (8)  | (626)           |
| <b>Total comprehensive loss for the period, net of tax</b>        |      | <b>(55,086)</b>  | <b>(36,829)</b> |
| <b>Total comprehensive income for the period attributable to:</b> |      |  |                 |
| Owners of the Company   |      | (55,637)   | (36,829)        |
| Non-controlling interest  |      | 551  | —               |
|   |      | <b>(55,086)</b>  | <b>(36,829)</b> |
| <b>Basic and diluted loss per share (RMB)</b>                     | 11   | <b>(0.05)</b>  | <b>(0.03)</b>   |

The notes on page 10 to 39 are an integral part of these unaudited consolidated financial statements.

The financial statements were approved by the Board of Directors on 27 November 2025 and were signed on its behalf.

**YAU Kok San**

*Director*

**LIN Han-wei**

*Director*



# Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2025

|   | Note | Unaudited<br>As at<br>30 September<br>2025<br>RMB'000 | Audited<br>As at<br>31 March<br>2025<br>RMB'000 |
|---|------|---|---|
| <b>ASSETS</b>   |      |   |   |
| <b>Non-current assets</b>   |      |   |   |
| Property, plant and equipment                                     | 12   | <b>1,410,063</b>                                      | 1,539,391                                       |
| Right-of-use assets   | 13   | <b>208,773</b>  | 167,809   |
| Intangible assets   | 14   | <b>11,034</b>   | 13,100  |
| Contract assets   | 6    | <b>66,239</b>   | 25,294  |
| Other non-current assets  |      | <b>66,699</b>   | 130,104   |
| <b>Total non-current assets</b>                                   |      | <b>1,762,808</b>                                      | 1,875,698                                       |
| <b>Current assets</b>   |      |   |   |
| Inventories   |      | <b>42,909</b>   | 35,141  |
| Contract assets   | 6    | <b>130,100</b>  | 216,684   |
| Trade receivables   | 15   | <b>740,587</b>  | 683,933   |
| Prepayments and other receivables                                 |      | <b>166,448</b>  | 136,855   |
| Financial assets at fair value through other comprehensive income |      | <b>14,019</b>   | 13,031  |
| Restricted cash   |      | <b>767</b>  | 370   |
| Cash and cash equivalents   |      | <b>133,052</b>  | 145,531   |
| <b>Total current assets</b>                                       |      | <b>1,227,882</b>                                      | 1,231,545                                       |
| <b>Total assets</b>   |      | <b>2,990,690</b>                                      | 3,107,243                                       |

The notes on page 10 to 39 are an integral part of these unaudited consolidated financial statements.

# Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2025

|  |      | Unaudited<br>As at<br>30 September<br>2025 | Audited<br>As at<br>31 March<br>2025 |
|--|------|--|--------------------------------------|
|  | Note | RMB'000                                    | RMB'000                              |
| <b>LIABILITIES</b>                           |      |  |                                      |
| <b>Non-current liabilities</b>               |      |  |                                      |
| Borrowings                                   | 18   | <b>474,159</b>                             | 507,072                              |
| Lease liabilities                            | 13   | <b>114,528</b>                             | 92,965                               |
| Deferred income tax liabilities              |      | <b>58,801</b>                              | 68,413                               |
| Provisions                                   |      | <b>13,804</b>                              | 32,825                               |
| <b>Total non-current liabilities</b>         |      | <b>661,292</b>                             | 701,275                              |
| <b>Current liabilities</b>                   |      |  |                                      |
| Trade and bills payables                     | 19   | <b>355,379</b>                             | 365,222                              |
| Contract liabilities                         |      | <b>4,030</b>                               | 1,960                                |
| Other payables and accruals                  |      | <b>30,682</b>                              | 33,272                               |
| Borrowings                                   | 18   | <b>625,261</b>                             | 615,553                              |
| Lease liabilities                            | 13   | <b>49,181</b>                              | 48,711                               |
| Provisions                                   |      | <b>17,506</b>                              | 38,805                               |
| <b>Total current liabilities</b>             |      | <b>1,082,039</b>                           | 1,103,523                            |
| <b>Total liabilities</b>                     |      | <b>1,743,331</b>                           | 1,804,798                            |
| <b>EQUITY</b>                                |      |  |                                      |
| Equity attributable to owners of the Company |      |  |                                      |
| Share capital                                | 16   | <b>593,026</b>                             | 593,026                              |
| Reserves                                     | 17   | <b>515,083</b>                             | 514,249                              |
| Retained earnings                            |      | <b>137,001</b>                             | 193,472                              |
|  |      | <b>1,245,110</b>                           | 1,300,747                            |
| Non-controlling interests                    |      | <b>2,249</b>                               | 1,698                                |
| <b>Total equity</b>                          |      | <b>1,247,359</b>                           | 1,302,445                            |
| <b>Total equity and liabilities</b>          |      | <b>2,990,690</b>                           | 3,107,243                            |

The notes on page 10 to 39 are an integral part of these unaudited consolidated financial statements.



# Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2025

|                                   | Attributable to owners of the Company |                |                 |                   |                |                   |                  | Non-controlling interests |                  | Total Equity |
|-----------------------------------|---------------------------------------|----------------|-----------------|-------------------|----------------|-------------------|------------------|---------------------------|------------------|--------------|
|                                   | Share capital                         | Share premium  | Capital reserve | Statutory reserve | Other reserves | Retained earnings | Total            | Non-controlling interests |                  |              |
|                                   | RMB'000                               | RMB'000        | RMB'000         | RMB'000           | RMB'000        | RMB'000           | RMB'000          | RMB'000                   | RMB'000          |              |
| At 1 April 2024 (audited)         | 593,026                               | 181,942        | 243,605         | 60,300            | 28,527         | 314,025           | 1,421,425        | –                         | 1,421,425        |              |
| Loss for the period               | –                                     | –              | –               | –                 | –              | (36,203)          | (36,203)         | –                         | (36,203)         |              |
| Other comprehensive income:       |                                       |                |                 |                   |                |                   |                  |                           |                  |              |
| – Currency translation difference | –                                     | –              | –               | –                 | (626)          | –                 | (626)            | –                         | (626)            |              |
| Total comprehensive loss          | –                                     | –              | –               | –                 | (626)          | (36,203)          | (36,829)         | –                         | (36,829)         |              |
| At 30 September 2024 (unaudited)  | 593,026                               | 181,942        | 243,605         | 60,300            | 27,901         | 277,822           | 1,384,596        | –                         | 1,384,596        |              |
| At 1 April 2025 (audited)         | <b>593,026</b>                        | <b>181,942</b> | <b>243,605</b>  | <b>60,300</b>     | <b>28,402</b>  | <b>193,472</b>    | <b>1,300,747</b> | <b>1,698</b>              | <b>1,302,445</b> |              |
| Loss for the period               | –                                     | –              | –               | –                 | –              | (55,629)          | (55,629)         | 551                       | (55,078)         |              |
| Other comprehensive income:       |                                       |                |                 |                   |                |                   |                  |                           |                  |              |
| – Currency translation difference | –                                     | –              | –               | –                 | (8)            | –                 | (8)              | –                         | (8)              |              |
| Total comprehensive loss          | –                                     | –              | –               | –                 | –              | (8)               | (55,629)         | (55,637)                  | 551              | (55,086)     |
| Statutory reserve                 | –                                     | –              | –               | 842               | –              | (842)             | –                | –                         | –                |              |
| At 30 September 2025 (unaudited)  | <b>593,026</b>                        | <b>181,942</b> | <b>243,605</b>  | <b>61,142</b>     | <b>28,394</b>  | <b>137,001</b>    | <b>1,245,110</b> | <b>2,249</b>              | <b>1,247,359</b> |              |

The notes on page 10 to 39 are an integral part of these unaudited consolidated financial statements.

# Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2025

|  | Unaudited<br>Six months ended<br>30 September<br>2025<br>RMB'000 | 2024<br>RMB'000 |
|--|--|-----------------|
| <b>Cash flows from operating activities</b>                                      |  |                 |
| Cash generated from operations   | 71,468   | 113,127         |
| Interest received  | 427  | 348             |
| Interest paid  | (25,921)   | (29,045)        |
| Income taxes received/(paid)   | 56   | (147)           |
| <br><b>Net cash inflow from operating activities</b>                             | <br>46,030   | <br>84,283      |
| <b>Cash flows from investing activities</b>                                      |  |                 |
| Payments for property, plant and equipment                                       | (24,977)   | (135,195)       |
| Purchase of intangible assets  | (203)  | –               |
| Proceeds from disposals of property, plant and equipment and right-of-use assets | 10,233   | 16,741          |
| <br><b>Net cash outflow from investing activities</b>                            | <br>(14,947)   | <br>(118,454)   |
| <b>Cash flows from financing activities</b>                                      |  |                 |
| Proceeds from borrowings   | 485,704  | 440,414         |
| Repayment of borrowings  | (510,421)  | (357,064)       |
| Payments for lease liabilities   | (18,811)   | (13,240)        |
| <br><b>Net cash (outflow)/inflow from financing activities</b>                   | <br>(43,528)   | <br>70,110      |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                      | <br>(12,445)   | <br>35,939      |
| <b>Cash and cash equivalents at beginning of the period</b>                      | <br>145,531  | <br>138,938     |
| <b>Effects of exchange rate changes on cash and cash equivalents</b>             | <br>(34)   | <br>(40)        |
| <br><b>Cash and cash equivalents at end of the period</b>                        | <br>133,052  | <br>174,837     |

The notes on page 10 to 39 are an integral part of these unaudited consolidated financial statements.



# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 1. GENERAL INFORMATION OF THE GROUP

Tat Hong Equipment Service Co., Ltd. (the “**Company**”) was incorporated in the Cayman Islands in 26 August 2014 as an exempted company with limited liability under the Companies Act (Cap. 22, Act 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in one-stop tower crane solution services from consultation, technical solution design, commissioning, construction to after-sale service primarily to the State Owned and other contractors in People’s Republic of China (the “**PRC**”). The ultimate parent company of the Group is Chwee Cheng & Sons Pte. Ltd., a company incorporated in Singapore on 22 January 1994 with limited liability.

The Company’s shares have been listed on the Stock Exchange of Hong Kong Limited since 13 January 2021.

These unaudited condensed consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated. These unaudited condensed consolidated financial statements have been approved for issue by the Board of Directors on 27 November 2025.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2025 have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) and requirements of the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong). The unaudited condensed consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities which are measured at fair value.

These condensed consolidated financial statements should be read in conjunction with those of the annual financial statements for the year ended 31 March 2025. Except as described below, the accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2025.

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 3. NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS

### New and amended standard adopted by the Group

The Group has applied the amendments to HKAS 21 “Lack of Exchangeability” for the first time from 1 January 2025. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standard.

## 4. ESTIMATES

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited condensed consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2025.

## 5. FINANCIAL RISK MANAGEMENT

### 5.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The unaudited condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 March 2025.

There have been no changes in the risk management department since year end or in any risk management policies.

The Group is exposed to credit risk in relation to its cash and cash equivalents, financial assets at fair value through other comprehensive income, contract assets and trade and other receivables. The carrying amounts of trade and other receivables, cash and cash equivalents represent the Group’s maximum exposure to credit risk in relation to financial assets.



# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 5. FINANCIAL RISK MANAGEMENT *(Continued)*

### 5.1 Financial risk factors *(Continued)*

#### **Credit risk**

Credit risk on trade debtors is managed by the management of the individual business units and monitored by the Group's management on a group basis. Most customers are sizable and renowned. Management assesses the credit quality of smaller customers by considering their financial position, past experience therewith and other relevant factors. The utilisation of credit limits is regularly monitored.

##### *(i) Credit risk of cash and cash equivalents*

To manage this risk arising from bank balances, the Group primarily transacts with reputable banks which are all high-credit-quality financial institutions. There has no recent history of default in relation to these financial institutions. The expected credit loss is close to zero.

##### *(ii) Credit risk of contract assets and trade receivables*

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations.
- actual or expected significant changes in the operating results of customers.
- significant changes in the expected performance and behaviour of the customers, including changes in the payment status.

The expected loss rates are based on the payment profiles of sales over a period of at least 60 months before the balance sheet date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Credit Default Spread of China 5-Year Government Bond ("CDS") to be the most relevant factor, and accordingly adjusted the historical loss rates based on expected changes in these factors.

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 5. FINANCIAL RISK MANAGEMENT (Continued)

### 5.1 Financial risk factors (Continued)

#### Credit risk (Continued)

##### (ii) Credit risk of contract assets and trade receivables (Continued)

|  | Unaudited             |  |  |                                     |   | Total<br>RMB'000 |  |
|--|-----------------------|--|--|-------------------------------------|---|------------------|--|
|  | Within<br>credit term | Less than<br>180 days<br>past due<br>RMB'000 | 181 days<br>to 365 days<br>past due<br>RMB'000 | 1 to 2 years<br>past due<br>RMB'000 | More than<br>2 years<br>past due<br>RMB'000 |                  |  |
|  | RMB'000               | RMB'000                                      | RMB'000  | RMB'000                             | RMB'000                                     |                  |  |
| <b>30 September 2025</b>                             |                       |  |  |                                     |   |                  |  |
| <b>Trade receivables</b>                             |                       |  |  |                                     |   |                  |  |
| Gross carrying amount                                | 225,253               | 191,244                                      | 86,877   | 129,947                             | 130,818                                     | 764,139          |  |
| Loss allowance                                       | (1,136)               | (2,905)                                      | (2,815)  | (5,237)                             | (11,459)                                    | (23,552)         |  |
| Expected loss rate                                   | 0.40%-2.33%           | 1.06%-8.01%                                  | 2.18%-15.19%                                   | 2.32%-15.95%                        | 2.46%-78.50%                                | 1.94%-28.63%     |  |
| <br><b>Contract assets – current and non-current</b> |                       |  |  |                                     |   |                  |  |
| Gross carrying amount                                | 197,312               | –  | –  | –                                   | –   | 197,312          |  |
| Loss allowance                                       | (973)                 | –  | –  | –                                   | –   | (973)            |  |
| Expected loss rate                                   | 0.40%-2.33%           | –  | –  | –                                   | –   | 0.40%-2.33%      |  |
| <br>Audited  |                       |  |  |                                     |   |                  |  |
|  | Within<br>credit term | Less than<br>180 days<br>past due<br>RMB'000 | 181 days<br>to 365 days<br>past due<br>RMB'000 | 1 to 2 years<br>past due<br>RMB'000 | More than<br>2 years<br>past due<br>RMB'000 | Total<br>RMB'000 |  |
|  | RMB'000               | RMB'000                                      | RMB'000  | RMB'000                             | RMB'000                                     |                  |  |
|  | RMB'000               | RMB'000                                      | RMB'000  | RMB'000                             | RMB'000                                     |                  |  |
| <b>31 March 2025</b>                                 |                       |  |  |                                     |   |                  |  |
| <b>Trade receivables</b>                             |                       |  |  |                                     |   |                  |  |
| Gross carrying amount                                | 218,116               | 153,101                                      | 80,437   | 132,898                             | 122,375                                     | 706,927          |  |
| Loss allowance                                       | (1,648)               | (2,201)                                      | (2,706)  | (5,314)                             | (11,125)                                    | (22,994)         |  |
| Expected loss rate                                   | 0.48%-2.56%           | 1.28%-8.82%                                  | 2.64%-16.71%                                   | 2.80%-17.55%                        | 2.97%-80.26%                                | 2.35%-30.05%     |  |
| <br><b>Contract assets – current and non-current</b> |                       |  |  |                                     |   |                  |  |
| Gross carrying amount                                | 243,172               | –  | –  | –                                   | –   | 243,172          |  |
| Loss allowance                                       | (1,194)               | –  | –  | –                                   | –   | (1,194)          |  |
| Expected loss rate                                   | 0.48%-2.56%           | –  | –  | –                                   | –   | 0.48%-2.56%      |  |

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 5. FINANCIAL RISK MANAGEMENT *(Continued)*

### 5.1 Financial risk factors *(Continued)*

#### **Credit risk** *(Continued)*

##### *(ii) Credit risk of contract assets and trade receivables* *(Continued)*

The movements in provision for impairment of contract assets and trade receivables are as follows:

|  | <b>Six months ended</b><br><b>30 September</b> |  |                |
|--|--|--|----------------|
|  | <b>2025</b>                                    |  | <b>2024</b>    |
|  | <b>RMB'000</b>                                 |  | <b>RMB'000</b> |
| <b>Contract assets</b>                                 |  |  |                |
| At the beginning of the period (audited)               | <b>1,194</b>                                   |  | 1,129          |
| (Reversal of)/provision for previous impairment losses | <b>(221)</b>                                   |  | 594            |
|  |  |  |                |
| At the end of the period (unaudited)                   | <b>973</b>                                     |  | 1,723          |
| <br><b>Trade receivables</b>                           |  |  |                |
| At the beginning of the period (audited)               | <b>22,994</b>                                  |  | 19,958         |
| Provision for/(reversal of) previous impairment losses | <b>558</b>                                     |  | (864)          |
| Currency translation differences                       | <b>–</b>                                       |  | (38)           |
|  |  |  |                |
| At the end of the period (unaudited)                   | <b>23,552</b>                                  |  | 19,056         |

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 5. FINANCIAL RISK MANAGEMENT *(Continued)*

### 5.1 Financial risk factors *(Continued)*

#### ***Credit risk*** *(Continued)*

##### ***(iii) Credit risk of other receivables***

Other receivables mainly comprise deposits and other receivables. The Directors of the Company consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the six months ended 30 September 2025 and the year ended 31 March 2025. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the third party's ability to meet its obligations;
- actual or expected significant changes in the operating results of the third party;
- significant changes in the expected performance and behavior of the third party, including changes in the payment status of the third party.

As at 30 September 2025 and 31 March 2025, there was no significant increase in credit risk since initial recognition, the Group assessed that the expected credit losses for these receivables are not material through using the 12 months expected losses method.

##### ***(iv) Credit risk of financial assets at fair value through other comprehensive income***

All of the Group's financial assets at fair value through other comprehensive income are considered to have low credit risk because they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.



# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 5. FINANCIAL RISK MANAGEMENT *(Continued)*

### 5.1 Financial risk factors *(Continued)*

#### **Liquidity risk**

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

|   | Unaudited        |                |                |               |                  |
|---|------------------|----------------|----------------|---------------|------------------|
|   | Between          |                | Between        |               | Total            |
|   | Within           | 1 and 2        | 2 and 5        | More than     |                  |
|   | 1 year           | years          | years          | 5 years       | RMB'000          |
|   | RMB'000          | RMB'000        | RMB'000        | RMB'000       | RMB'000          |
| <b>As at 30 September 2025</b>  |                  |                |                |               |                  |
| Borrowings  | 625,261          | 185,067        | 289,092        | –             | 1,099,420        |
| Trade and bills payables  | 355,379          | –              | –              | –             | 355,379          |
| Other payables and accruals<br>(excluding payroll and welfare<br>payables and other tax payables) | 10,454           | –              | –              | –             | 10,454           |
| Interest payable  | 30,178           | 8,218          | 5,463          | –             | 43,859           |
| Lease liabilities   | 60,486           | 46,412         | 67,933         | 11,555        | 186,386          |
|   | <b>1,081,758</b> | <b>239,697</b> | <b>362,488</b> | <b>11,555</b> | <b>1,695,498</b> |
|   |                  |                |                |               |                  |
|   | Audited          |                |                |               |                  |
|   | Between          |                | Between        |               | Total            |
|   | Within           | 1 and 2        | 2 and 5        | More than     |                  |
|   | 1 year           | years          | years          | 5 years       | RMB'000          |
|   | RMB'000          | RMB'000        | RMB'000        | RMB'000       | RMB'000          |
| <b>As at 31 March 2025</b>  |                  |                |                |               |                  |
| Borrowings  | 615,553          | 359,236        | 147,836        | –             | 1,122,625        |
| Trade and bills payables  | 365,222          | –              | –              | –             | 365,222          |
| Other payables and accruals<br>(excluding payroll and welfare<br>payables and other tax payables) | 13,041           | –              | –              | –             | 13,041           |
| Interest payable  | 38,012           | 13,274         | 4,361          | –             | 55,647           |
| Lease liabilities   | 60,354           | 35,453         | 58,492         | 6,296         | 160,595          |
|   | <b>1,092,182</b> | <b>407,963</b> | <b>210,689</b> | <b>6,296</b>  | <b>1,717,130</b> |

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 5. FINANCIAL RISK MANAGEMENT *(Continued)*

### 5.2 Fair value estimation

Financial instruments carried at fair value or where fair value was disclosed can be categorised by levels of the inputs to valuation techniques used to measure fair value. The inputs are categorised into three levels within a fair value hierarchy as follows:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- (ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- (iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's assets and liabilities that are measured at fair value.

|   | <b>Level 1</b><br>RMB'000 | <b>Level 2</b><br>RMB'000 | <b>Level 3</b><br>RMB'000 | <b>Total</b><br>RMB'000 |
|---|---------------------------|---------------------------|---------------------------|-------------------------|
| <b>As at 30 September 2025</b>  |                           |                           |                           |                         |
| Assets  |                           |                           |                           |                         |
| Financial assets at fair value through other comprehensive income (unaudited) | —                         | —                         | <b>14,019</b>             | <b>14,019</b>           |
| <b>As at 31 March 2025</b>  |                           |                           |                           |                         |
| Assets  |                           |                           |                           |                         |
| Financial assets at fair value through other comprehensive income (audited)   | —                         | —                         | 13,031                    | 13,031                  |

There were no transfers between Level 1, 2 and 3 during year/period.

Level 3 financial assets at fair value through other comprehensive income comprise bank and commercial acceptance notes that are held for collection of contractual cash flow and for selling the financial assets. The fair values are estimated by using a discounted cash flow approach with discount rates quoted in main state-owned banks.



# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 5. FINANCIAL RISK MANAGEMENT *(Continued)*

### 5.2 Fair value estimation *(Continued)*

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of financial assets at fair value through other comprehensive income:

| Fair value                            |                           | Un-observable                                   | Inputs<br>(probability-weighted average)            |                                |
|---------------------------------------|---------------------------|---|---|--------------------------------|
| As at<br><b>30 September<br/>2025</b> | As at<br>31 March<br>2025 |   | Six months<br>ended<br><b>30 September<br/>2025</b> | Year ended<br>31 March<br>2025 |
| RMB'000                               | RMB'000                   |   |   |                                |
| <b>14,019</b>                         | 13,031                    | Discount rates quoted in main state-owned banks | <b>2.52%</b>  | 2.78%                          |

The higher the discount rates quoted in main state-owned banks, the lower the fair value is.

Increasing/decreasing the discount rates quoted in main state-owned banks by 0.5% would decrease/increase the fair values as at 30 September 2025 and 31 March 2025 by approximately RMB12,000/RMB12,000 and RMB53,000/RMB53,000, respectively.

## 6. SEGMENT INFORMATION

The executive directors of the Company have been identified as the chief operating decision-makers of the Group who review the Group's internal reporting in order to assess performance of the Group on a regular basis and allocate resources.

The operating segments derive their revenue primarily from the tower crane service.

No geographical segment information is presented as all the revenue and operating profits of the Group are derived within PRC and all the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

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

|            | Unaudited<br>Six months ended<br><b>30 September<br/>2025</b> |         | 2024 |
|------------|---|---------|------|
|            | RMB'000   | RMB'000 |      |
| Customer A | <b>59,306</b>   | 56,528  |      |
| Customer B | <b>49,992</b>   | 45,878  |      |
| Customer C | <b>38,782</b>   | 37,020  |      |

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 6. SEGMENT INFORMATION *(Continued)*

The Group has recognised the following assets related to contracts with customers:

|                        | Unaudited<br>As at<br>30 September<br>2025<br>RMB'000 | Audited<br>As at<br>31 March<br>2025<br>RMB'000 |
|------------------------|---|---|
| <b>Contract assets</b> |   |   |
| Non-current            | <b>66,616</b>   | 25,399  |
| Loss allowance         | <b>(377)</b>  | (105)   |
|                        | <hr/>   | <hr/>   |
|                        | <b>66,239</b>   | 25,294  |
| <br>                   |   |   |
| Current                | <b>130,696</b>  | 217,773   |
| Loss allowance         | <b>(596)</b>  | (1,089)   |
|                        | <hr/>   | <hr/>   |
|                        | <b>130,100</b>  | 216,684   |
| <br>                   |   |   |
| Total contract assets  | <b>196,339</b>  | 241,978   |
|                        | <hr/>   | <hr/>   |

### (i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting carried-forward contract liabilities.

|  | Unaudited<br>Six months ended<br>30 September<br>2025<br>RMB'000 | 2024<br>RMB'000 |
|--|--|-----------------|
| Revenue recognised that was included in the balance of contract liabilities at the beginning of the period | <b>1,008</b>   | 2,289           |



# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 6. SEGMENT INFORMATION *(Continued)*

### (ii) Unsatisfied performance obligations

The following table shows unsatisfied one-stop tower crane solution services and dry lease resulting from long-term contracts which have not been commenced and have been commenced but not yet been completed.

|  | Unaudited<br>As at<br>30 September<br>2025<br>RMB'000 | Audited<br>As at<br>31 March<br>2025<br>RMB'000 |
|--|---|---|
| One-stop tower crane solution services | <b>929,447</b>  | 769,568   |
| Dry lease                              | <b>19,803</b>   | 30,477  |
|  | <b>949,250</b>  | <b>800,045</b>                                  |

The Company expects that unsatisfied one-stop tower crane solution services and dry lease of approximately RMB543,838,000 as at 30 September 2025 will be recognised as revenue within 1 year. The remaining unsatisfied performance obligations of approximately RMB405,412,000 will be recognised as revenue after 1 year but less than 5 years.

## 7. REVENUE

An analysis of revenue is as follows:

|  | Unaudited<br>Six months ended<br>30 September<br>2025<br>RMB'000 | 2024<br>RMB'000 |
|--|--|-----------------|
| <b>Timing of revenue recognition – Over the time</b> |  |                 |
| One-stop tower crane solution services:              |  |                 |
| – Operating Lease                                    | 117,772  | 137,962         |
| – Hoisting Service                                   | 152,692  | 188,880         |
| Dry lease  | <b>30,682</b>  | 14,062          |
|  | <b>301,146</b>   | 340,904         |

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 8. FINANCE COSTS AND INCOME

|  | Unaudited<br>Six months ended<br>30 September<br>2025<br>RMB'000 | 2024<br>RMB'000 |
|--|--|-----------------|
| Finance costs:                                     |  |                 |
| Interest expenses on borrowings                    | 26,810   | 29,542          |
| Interest expenses on lease liabilities             | 4,097  | 2,393           |
| Net exchange losses on foreign currency borrowings | <u>1,512</u>   | 1,022           |
| Total finance costs                                | <u>32,419</u>  | 32,957          |
| Finance income:                                    |  |                 |
| Interest income                                    | <u>(427)</u>   | (348)           |
| Finance costs – net                                | <u>31,992</u>  | 32,609          |

## 9. INCOME TAX CREDIT

|                               | Unaudited<br>Six months ended<br>30 September<br>2025<br>RMB'000 | 2024<br>RMB'000 |
|-------------------------------|--|-----------------|
| Current tax                   |  |                 |
| Provision for the period      | 7  | 148             |
| Over-provision in prior years | (149)  | –               |
| Withholding tax               | 86   | –               |
| Deferred income tax           | <u>(9,612)</u>   | (2,198)         |
| Income tax credit             | <u>(9,668)</u>   | (2,050)         |



# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 9. INCOME TAX CREDIT *(Continued)*

The Group's subsidiary in Singapore is subject to Singapore corporate income tax at a rate of 17% on estimated assessable profits.

The Group's subsidiary in Indonesia is subject to Indonesia corporate income tax at a rate of 22% on estimated assessable profits.

The Group's subsidiaries in the PRC are subject to the PRC corporate income tax at a rate of 25% on estimated assessable profits.

Pursuant to the relevant laws and regulation in the PRC, the Group's subsidiaries, JiangSu Zhongjian Tat Hong Machinery Construction Co. Ltd. ("Zhongjian Tat Hong") and Jiangsu Ronghe Tat Hong Machinery Construction Co., Ltd. ("Ronghe Tat Hong"), were accredited as high and new technology enterprises.

Zhongjian Tat Hong was qualified in November 2021 and renewed in November 2024 and entitled to the preferential tax rate of 15% from 2021 to 2026. Ronghe Tat Hong was qualified in December 2024 and entitled to the preferential tax rate of 15% from 2024 to 2026.

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% withholding income tax.

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 September 2025 is 15.1% (for the six months ended 30 September 2024: 5.3%).

## 10. DIVIDENDS

The Board had resolved not to declare any dividend for the six months ended 30 September 2025 (2024: Nil).

## 11. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to the owners of the Company by the weighted average number of shares in issue or deemed to be in issue during the financial period. Diluted loss per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. The fully diluted earnings per share for the financial period is the same as the basic loss per share as there is no dilutive potential share during the financial period.

| Unaudited    | Six months ended |         |
|--------------|------------------|---------|
| 30 September | 2025             | 2024    |
| RMB'000      | RMB'000          | RMB'000 |

|  |                  |           |
|--|------------------|-----------|
| Loss attributable to the owners of the Company             | <b>(55,629)</b>  | (36,203)  |
| Weighted average number of ordinary shares in issue ('000) | <b>1,166,871</b> | 1,166,871 |
| Basic and diluted loss per share (RMB)                     | <b>(0.05)</b>    | (0.03)    |

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 12. PROPERTY, PLANT AND EQUIPMENT

|  | Building<br>RMB'000 | Machinery<br>RMB'000 | Transportation<br>RMB'000 | Office<br>equipment<br>RMB'000 | Leasehold<br>improvements<br>RMB'000 | Construction<br>in-progress<br>RMB'000 | Total<br>RMB'000 |
|--|---------------------|----------------------|---------------------------|--------------------------------|--------------------------------------|--|------------------|
| <b>As at 31 March 2025 (audited)</b>       |                     |                      |                           |                                |                                      |  |                  |
| Cost                                       | 40,900              | 2,523,698            | 10,616                    | 13,329                         | 22,094                               | 2,982                                  | 2,613,619        |
| Accumulated depreciation                   | (4,910)             | (1,038,640)          | (7,350)                   | (8,961)                        | (14,367)                             | –                                      | (1,074,228)      |
| Net book amount                            | 35,990              | 1,485,058            | 3,266                     | 4,368                          | 7,727                                | 2,982                                  | 1,539,391        |
| <b>Six months ended 30 September 2025</b>  |                     |                      |                           |                                |                                      |  |                  |
| Opening net book amount                    | 35,990              | 1,485,058            | 3,266                     | 4,368                          | 7,727                                | 2,982                                  | 1,539,391        |
| Additions                                  | 42                  | 26,810               | 606                       | 2,153                          | –                                    | 403                                    | 30,014           |
| Disposals                                  | –                   | (52,616)             | (529)                     | (272)                          | –                                    | –                                      | (53,417)         |
| Depreciation                               | (921)               | (103,551)            | (146)                     | (593)                          | (714)                                | –                                      | (105,925)        |
| Transfer                                   | –                   | 53                   | –                         | 25                             | –                                    | (78)                                   | –                |
| Net book amount                            | 35,111              | 1,355,754            | 3,197                     | 5,681                          | 7,013                                | 3,307                                  | 1,410,063        |
| <b>As at 30 September 2025 (Unaudited)</b> |                     |                      |                           |                                |                                      |  |                  |
| Cost                                       | 40,942              | 2,497,945            | 10,693                    | 15,235                         | 22,094                               | 3,307                                  | 2,590,216        |
| Accumulated depreciation                   | (5,831)             | (1,142,191)          | (7,496)                   | (9,554)                        | (15,081)                             | –                                      | (1,180,153)      |
| Net book amount                            | 35,111              | 1,355,754            | 3,197                     | 5,681                          | 7,013                                | 3,307                                  | 1,410,063        |

As at 30 September 2025, the Group pledged machineries with carrying amount of approximately RMB844,825,000 (31 March 2025: RMB928,759,000) for the bank borrowings and other borrowings of the Group (Note 18).

As at 30 September 2025, the Group pledged buildings with carrying amount of approximately RMB4,538,000 (31 March 2025: RMB4,679,000) for the bank borrowings of the Group (Note 18).

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 13. LEASES

### (i) Amounts recognised in the consolidated statements of financial position

The consolidated statements of financial position show the following amounts relating to leases:

|                            | <b>Unaudited</b><br><b>As at</b><br><b>30 September</b><br><b>2025</b><br><b>RMB'000</b> | <b>Audited</b><br><b>As at</b><br><b>31 March</b><br><b>2025</b><br><b>RMB'000</b> |
|----------------------------|--|--|
| <b>Right-of-use assets</b> |  |  |
| Land-use rights            | <b>11,324</b>  | 11,530   |
| Machinery                  | <b>165,774</b>   | 124,870  |
| Office                     | <b>8,345</b>   | 7,466  |
| Warehouse                  | <b>22,472</b>  | 23,331   |
| Others                     | <b>858</b>   | 612  |
|                            | <b>208,773</b>   | 167,809  |
| <b>Lease liabilities</b>   |  |  |
| Current                    | <b>49,181</b>  | 48,711   |
| Non-current                | <b>114,528</b>   | 92,965   |
|                            | <b>163,709</b>   | 141,676  |

Additions to the right-of-use assets during the six months ended 30 September 2025 and the year ended 31 March 2025 were RMB71,250,000 and RMB120,966,000.

As at 30 September 2025, the lease liabilities of RMB30,407,000 (31 March 2025: RMB32,842,000) were secured by the pledge of the machinery with the carrying value of RMB39,357,000 (31 March 2025: RMB41,224,000).

As at 30 September 2025, the land-use rights with carrying value of approximately RMB11,324,000 (31 March 2025: RMB11,530,000) were secured for the bank borrowings of the Group (Note 18).

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 13. LEASES *(Continued)*

### (ii) Amounts recognised in the consolidated statements of comprehensive income

The consolidated statements of comprehensive income show the following amounts relating to leases:

|   | <b>Unaudited</b><br><b>Six months ended</b><br><b>30 September</b> |                               |
|---|--|-------------------------------|
|   | <b>2025</b><br><b>RMB'000</b>                                      | <b>2024</b><br><b>RMB'000</b> |
| <b>Depreciation charge of right-of-use assets</b> |  |                               |
| Land-use rights                                   | <b>206</b>   | 206                           |
| Machinery   | <b>26,833</b>  | 32,460                        |
| Office  | <b>1,071</b>   | 2,667                         |
| Warehouse   | <b>2,426</b>   | 2,152                         |
| Others  | <b>210</b>   | 369                           |
|   | <b>30,746</b>  | 37,854                        |
| Interest expense (included in finance costs)      | <b>4,097</b>   | 2,393                         |

The total cash outflow for leases of the six months ended 30 September 2025 and 2024 were RMB23,969,000 and RMB19,852,000.

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 14. INTANGIBLE ASSETS

|  | <b>Software</b><br>RMB'000 | <b>Patent</b><br>RMB'000 | <b>Total</b><br>RMB'000 |
|--|----------------------------|--------------------------|-------------------------|
| <b>As at 31 March 2025 (audited)</b>       |                            |                          |                         |
| Cost                                       | 10,746                     | 36,654                   | 47,400                  |
| Accumulated amortisation                   | (7,817)                    | (26,483)                 | (34,300)                |
| Net book amount                            | 2,929                      | 10,171                   | 13,100                  |
| <b>Six months ended 30 September 2025</b>  |                            |                          |                         |
| Opening net book amount                    | 2,929                      | 10,171                   | 13,100                  |
| Additions                                  | 203                        | –                        | 203                     |
| Amortisation charge                        | (440)                      | (1,829)                  | (2,269)                 |
| Net book amount                            | 2,692                      | 8,342                    | 11,034                  |
| <b>As at 30 September 2025 (unaudited)</b> |                            |                          |                         |
| Cost                                       | 10,949                     | 36,654                   | 47,603                  |
| Accumulated amortization                   | (8,257)                    | (28,312)                 | (36,569)                |
| Net book amount                            | 2,692                      | 8,342                    | 11,034                  |

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 15. TRADE RECEIVABLES

|                                | As at<br>30 September<br>2025<br>RMB'000 | As at<br>31 March<br>2025<br>RMB'000 |
|--------------------------------|--|--------------------------------------|
| Accounts receivable            | <b>764,139</b>                           | 706,927                              |
| Less: provision for impairment | <b>(23,552)</b>                          | (22,994)                             |
|                                |  | <b>740,587</b>                       |
|                                |  | 683,933                              |

The majority of the Group's receivables are with credit terms from 30 days to 90 days. At 30 September 2025 and 31 March 2025, the aging analysis of the trade receivables, based on invoice date were as follows:

|                      | Unaudited<br>As at<br>30 September<br>2025<br>RMB'000 | Audited<br>As at<br>31 March<br>2025<br>RMB'000 |
|----------------------|---|---|
| 0 to 180 days        | <b>416,497</b>  | 371,217   |
| 181 days to 365 days | <b>86,877</b>   | 80,437  |
| 1 to 2 years         | <b>129,947</b>  | 132,898   |
| More than 2 years    | <b>130,818</b>  | 122,375   |
|                      | <b>764,139</b>  | 706,927   |

For the trade receivables, the Group has assessed the expected credit losses by considering historical default rates, existing market conditions and forward-looking information. Based on the assessment, the creation and reversal for impaired receivables have been included in the net impairment losses on financial assets. Amounts charged to allowance account are written off when there is no expectation of receiving the receivables.

As at 30 September 2025, the Group pledged accounts receivables with carrying amount of approximately RMB191,386,000 (31 March 2025: RMB236,907,000) for the bank borrowings of the Group (Note 18).

The Group's trade receivables were denominated in RMB.



# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 16. SHARE CAPITAL

Share capital as at 30 September 2025 and 31 March 2025, represented the share capital of the Group.

|   | Number of<br>Shares<br>Authorised<br>'000 | Number of<br>Shares<br>Issued<br>'000 | Share<br>Capital<br>USD'000 | Share<br>Capital<br>RMB'000 |
|---|---|---------------------------------------|-----------------------------|-----------------------------|
| As at 30 September 2025 (unaudited)<br>and 31 March 2025 (audited)<br>(ordinary shares of USD0.08 each) | 1,875,000                                 | 1,166,871                             | 93,350                      | 593,026                     |

## 17. RESERVES

Reserves of the Group during the six months ended 30 September 2025 and the year ended 31 March 2025 comprised of share premium, capital reserve, statutory reserve and other reserve.

Share premium of the Company represents the capital contribution premium from shareholders. Where the Company issued shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums over share capital shall be classified as share premium.

Capital reserve comprised of merger reserve arising from the combination of Tat Hong Equipment (China) Pte. Ltd. ("THEC")'s subsidiaries in 2015.

As stipulated by the relevant PRC laws and regulations applicable to the Company's subsidiaries established and operated in the PRC, the subsidiaries are required to make appropriation from profit after tax (after offsetting prior years' losses) to statutory reserve. The PRC entities are required to transfer at least 10% of its net profit as determined under the PRC accounting rules and regulations, to their statutory reserve. The appropriations to the statutory reserve are required until the balance reaches 50% of the subsidiaries' registered capital. The statutory reserve can be utilised to offset prior year losses. The Company's PRC subsidiaries are restricted in their ability to transfer a portion of their reserve either in the form of dividends, loans or advances.

Other reserves include translation reserves and share-based payments under the share award scheme contributed by the shares of the Company offered by the controlling shareholders of the Company. On 25 March 2022, 30,664,491 shares held by TH Straits 2015 Pte. Ltd., a shareholder of the Company, were granted to senior management at no cost, recognised as employee benefits at fair value on the grant date.

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 18. BORROWINGS

|   | Unaudited<br>As at<br>30 September<br>2025<br>RMB'000 | Audited<br>As at<br>31 March<br>2025<br>RMB'000 |
|---|---|---|
| <b>Non-current</b>  |   |   |
| Bank borrowings – Secured   | 385,223   | 413,609   |
| Bank borrowings – Unsecured   | 41,025  | 32,686  |
| Other borrowings  | 47,911  | 60,777  |
|   | <b>474,159</b>  | 507,072   |
| <b>Current</b>  |   |   |
| Bank borrowings – Secured   | 454,006   | 442,459   |
| Bank borrowings – Unsecured   | 2,500   | 9,956   |
| Commercial papers   | 127,001   | 119,447   |
| Unsecured bank loans – supplier finance arrangements (Note 18(vii)) | 15,332  | 13,002  |
| Other borrowings  | 26,422  | 30,689  |
|   | <b>625,261</b>  | 615,553   |
| Total borrowings  | <b>1,099,420</b>                                      | 1,122,625                                       |

### (i) As at end of reporting period, the Group's borrowings were repayable as follows:

|                       | Unaudited<br>As at<br>30 September<br>2025<br>RMB'000 | Audited<br>As at<br>31 March<br>2025<br>RMB'000 |
|-----------------------|---|---|
| Within 1 year         | 625,261   | 615,553   |
| Between 1 and 2 years | 185,067   | 359,236   |
| Between 2 and 5 years | 289,092   | 147,836   |
|                       |   |   |
|                       | <b>1,099,420</b>                                      | 1,122,625                                       |

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 18. BORROWINGS *(Continued)*

### (ii) Analysis of the carrying amounts of the Group's borrowings by currency was as follows:

|     | Unaudited<br>As at<br>30 September<br>2025<br>RMB'000 | Audited<br>As at<br>31 March<br>2025<br>RMB'000 |
|-----|---|---|
| RMB | 940,394   | 967,036   |
| HKD | 32,025  | 36,142  |
| SGD | 127,001   | 119,447   |
|     | <hr/> <b>1,099,420</b>                                | <hr/> <b>1,122,625</b>                          |

### (iii) The weighted average effective interest rates per annum for the six months ended 30 September 2025 and the year ended 31 March 2025 were as follows:

|     | Unaudited<br>Six months<br>ended<br>30 September<br>2025<br>RMB'000 | Audited<br>Year ended<br>31 March<br>2025<br>RMB'000 |
|-----|---|--|
| SGD | 5.1%  | 5.4%   |
| RMB | 4.4%  | 4.5%   |
| HKD | 5.1%  | 6.2%   |

### (iv) The fair values of the borrowings of the Group are approximate to their carrying amounts, since either the interest rates of those borrowings are close to current market rates or the borrowings are of a short-term nature.

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 18. BORROWINGS *(Continued)*

### (v) Secured borrowings are pledged or guaranteed by the followings (Note 12, Note 13 and Note 15):

Bank borrowings of RMB731,001,000 (31 March 2025: RMB841,476,000) are secured by the Group's machineries of RMB685,518,000 (31 March 2025: RMB783,297,000) (Note 12), building of RMB4,538,000 (31 March 2025: RMB4,679,000) (Note 12), land-use right of RMB11,324,000 (31 March 2025: RMB11,530,000) (Note 13), account receivables of RMB191,386,000 (31 March 2025: RMB236,907,000) (Note 15), and bank deposits of RMB767,000 (31 March 2025: RMB370,000) (Note 28).

Other borrowings of RMB74,333,000 (31 March 2025: RMB91,466,000) are secured by the Group's machineries of RMB159,307,000 (31 March 2025: RMB145,462,000) (Note 12).

### (vi) Commercial papers

On 3 April 2024, the Company has launched a SGD50 million multicurrency multi-series unsecured and unsubordinated commercial paper facility programmed (the “**SDAX Multicurrency CP Facility Programme**”) pursuant to which the Company may issue and list commercial paper in the form of security tokens in multiple series on the SDAX digital platform (the “**SDAX Platform**”) operated by SDAX Exchange Pte. Ltd., a company incorporated in Singapore that is a recognised market operator and regulated by the Monetary Authority of Singapore.

On 3 April 2024, the Company has launched the first issue of commercial papers in the form of digital securities denominated in Singapore Dollars under the SDAX Multicurrency CP Facility Programme at an interest rate of 5.6% per annum and matures approximately three (3) months from the date of issuance (the “**3-month SGD Series 001 Issuance**”). On 23 April 2024, the Company raised approximately SGD5.36 million (equivalent to RMB28.51 million) through the SDAX Platform. Out of which SGD1 million (equivalent to RMB5.32 million) was subscribed by Tat Hong International Pte. Ltd., the controlling shareholder, and SGD1 million (equivalent to RMB5.32 million) was subscribed by Tat Hong Plant Leasing Pte. Ltd., a fellow subsidiary. The interest paid to Tat Hong International Pte. Ltd. was SGD13,962 (equivalent to RMB75,000), and the interest paid to Tat Hong Plant Leasing Pte. Ltd. was also SGD13,962 (equivalent to RMB75,000). The 3-month SGD Series 001 Issuance was fully settled.



# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 18. BORROWINGS *(Continued)*

### (vi) Commercial papers *(Continued)*

On 9 July 2024, the Company has launched the second issue of commercial papers in the form of digital securities denominated in Singapore Dollars under the SDAX Multicurrency CP Facility Programme at an interest rate of 5.6% per annum and matures approximately three (3) months from the date of issuance (the "**3-month SGD Series 002 Issuance**"). On 23 July 2024, the Company raised approximately SGD17.62 million (equivalent to RMB94.36 million) through the SDAX Platform. Out of which SGD10 million (equivalent to RMB53.56 million) was subscribed by Tat Hong International Pte. Ltd., the controlling shareholder and SGD1 million (equivalent to RMB5.36 million) was subscribed by Tat Hong Plant Leasing Pte. Ltd., a fellow subsidiary. The interest paid to Tat Hong International Pte. Ltd. was SGD141,151 (equivalent to RMB758,000), and the interest paid to Tat Hong Plant Leasing Pte. Ltd. was SGD14,115 (equivalent to RMB76,000). The 3-month SGD Series 002 Issuance was fully settled.

On 9 October 2024, the Company has launched the third issue of commercial papers in the form of digital securities denominated in Singapore Dollars under the SDAX Multicurrency CP Facility Programme at an interest rate of 5.4% per annum and matures approximately three (3) months from the date of issuance (the "**3-month SGD Series 003 Issuance**"). On 23 July 2024, the Company raised approximately SGD21.75 million (equivalent to RMB117.18 million) through the SDAX Platform. Out of which SGD10 million (equivalent to RMB53.88 million) was subscribed by Tat Hong International Pte. Ltd., the controlling shareholder and SGD1 million (equivalent to RMB5.39 million) was subscribed by Tat Hong Plant Leasing Pte. Ltd., a fellow subsidiary. The interest paid to Tat Hong International Pte. Ltd. was SGD136,110 (equivalent to RMB733,000), and the interest paid to Tat Hong Plant Leasing Pte. Ltd. was SGD13,611 (equivalent to RMB73,000). The 3-month SGD Series 003 Issuance was fully settled.

On 9 January 2025, the Company has launched the forth issue of commercial papers in the form of digital securities denominated in Singapore Dollars under the SDAX Multicurrency CP Facility Programme at an interest rate of 5.2% per annum and matures approximately three (3) months from the date of issuance (the "**3-month SGD Series 004 Issuance**"). On 23 January 2025, the Company raised approximately SGD22.05 million (equivalent to RMB118.77 million) through the SDAX Platform. Out of which SGD8.65 million (equivalent to RMB46.59 million) was subscribed by Tat Hong International Pte. Ltd., the controlling shareholder. The interest paid to Tat Hong International Pte. Ltd. was SGD112,142 (equivalent to RMB611,000). The 3-month SGD Series 004 Issuance was fully settled.

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 18. BORROWINGS *(Continued)*

### (vi) Commercial papers *(Continued)*

On 8 April 2025, the Company has launched the fifth issue of commercial papers in the form of digital securities denominated in Singapore Dollars under the SDAX Multicurrency CP Facility Programme at an interest rate of 5.05% per annum and matures approximately three (3) months from the date of issuance (the **“3-month SGD Series 005 Issuance”**). On 24 April 2025, the Company raised SGD22.34 million (equivalent to RMB123.22 million) through the SDAX Platform. Out of which SGD8.65 million (equivalent to RMB47.71 million) was subscribed by Tat Hong International Pte. Ltd., the controlling shareholder. The interest paid to Tat Hong International Pte. Ltd. was SGD108,907 (equivalent to RMB605,000). The 3-month SGD Series 005 Issuance was fully settled.

On 10 July 2025, the Company has launched the sixth issue of commercial papers in the form of digital securities denominated in Singapore Dollars under the SDAX Multicurrency CP Facility Programme at an interest rate of 5.05% per annum and matures approximately three (3) months from the date of issuance (the **“3-month SGD Series 006 Issuance”**). On 24 July 2025, the Company raised SGD23.00 million (equivalent to RMB127.00 million) through the SDAX Platform. Out of which SGD6.65 million (equivalent to RMB37.25 million) was subscribed by Tat Hong International Pte. Ltd., the controlling shareholder. The interest payable to Tat Hong International Pte. Ltd. was SGD63,485 (equivalent to RMB351,000) as at 30 September 2025.

### (vii) Bank loans arising from supplier finance arrangements:

The Group has entered into certain reverse factoring arrangements with a bank, under which the Group obtained extended credit in respect of the invoice amounts owned to a related company of trading in nature.

Under these arrangements, the bank pay a related company of trading in nature the amounts owed by the Group on the original due dates, which are normally 30 to 180 days after the invoice date for the comparable trade payables that are not part of the supplier finance arrangement within the same business line. The Group then settles with the banks between 360 days after the original due dates with the related company of trading in nature, with interest.

In the consolidated financial statement of financial position, the Group has presented the payables to the banks under these arrangements as “bank borrowings”, in view of the nature and function of such liabilities when compared with the Group’s trade payables. As at 31 March 2025, the carrying amount of financial liabilities under these arrangements amounted to RMB15 million (31 March 2025: RMB13 million) of which the related company of trading in nature have received payments from the banks. These arrangements were guaranteed by Fushun Yongmao Construction Machinery Co., Ltd., a related company.

In the consolidated statement of cash flows, payments to the banks are included within financing cash flows based on the nature of the arrangements, and payments to the related company of trading in nature by the bank amounting to RMB15 million (31 March 2025: RMB13 million) are non-cash transactions.



# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 19. TRADE AND BILLS PAYABLES

|                  | <b>Unaudited<br/>As at<br/>30 September<br/>2025<br/>RMB'000</b> | <b>Audited<br/>As at<br/>31 March<br/>2025<br/>RMB'000</b> |
|------------------|--|--|
| Accounts payable | <b>315,574</b>   | 317,669  |
| Bills payable    | <b>39,805</b>  | 47,553   |
|                  | <b>355,379</b>   | 365,222  |

As at 30 September 2025 and 31 March 2025, the aging analysis of the trade payables (including amounts due to related parties of trading in nature) based on transaction date is as follows:

|                             | <b>Unaudited<br/>As at<br/>30 September<br/>2025<br/>RMB'000</b> | <b>Audited<br/>As at<br/>31 March<br/>2025<br/>RMB'000</b> |
|-----------------------------|--|--|
| Within 3 months             | <b>123,329</b>   | 122,356  |
| Between 3 months and 1 year | <b>107,737</b>   | 122,497  |
| Between 1 year and 2 years  | <b>56,320</b>  | 45,922   |
| Between 2 years and 3 years | <b>23,732</b>  | 21,548   |
| Between 3 years and 5 years | <b>1,977</b>   | 3,046  |
| Over 5 years                | <b>2,479</b>   | 2,300  |
|                             | <b>315,574</b>   | 317,669  |

The carrying amounts of trade and bills payables approximate their fair values.

As at 30 September 2025 and 31 March 2025, the aging of bills payable was within one year.

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 20. COMMITMENTS

### (i) Capital commitments

As at 30 September 2025 and 31 March 2025, the Group had the following capital commitments:

|  | Unaudited<br>As at<br>30 September<br>2025<br>RMB'000 | Audited<br>As at<br>31 March<br>2025<br>RMB'000 |
|--|---|---|
| Contracted but not provided for<br>– Property, plant and equipment | 67,135  | 8,557   |

### (ii) Lease commitments

As at 30 September 2025 and 31 March 2025, the Group had the following lease commitments:

|                      | Unaudited<br>As at<br>30 September<br>2025<br>RMB'000 | Audited<br>As at<br>31 March<br>2025<br>RMB'000 |
|----------------------|---|---|
| No later than 1 year | 3,757   | 5,148   |

## 21. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

### (a) The directors of the Company are of the view that the following parties/companies were related parties that had transaction or balances with the Group during the financial periods:

| Name of related parties   | Relationship with the Company                             |
|---|---|
| Chwee Cheng & Sons Pte. Ltd.  | Ultimate parent company                                   |
| THEC  | Parent company  |
| Beijing Tat Hong Zhaomao Equipment Rental Co., Ltd.<br>("Beijing Tat Hong")       | Under common control by Tat Hong Holdings Limited ("THH") |
| Tat Hong HeavyEquipment (Hong Kong) Limited                                       | Under common control by THH                               |
| Yongmao Holdings Limited ("Yongmao")  | Associate of THH  |
| Fushun Yongmao Construction Machinery Co., Ltd.<br>("Fushun Yongmao")             | Controlled by Yongmao                                     |
| Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd.<br>("Beijing Yongmao") | Controlled by Yongmao                                     |

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 21. RELATED PARTY TRANSACTIONS *(Continued)*

### (b) Transactions with related parties

Except for those related party transactions and balances disclosed elsewhere in notes to the consolidated financial statements, other significant related party transactions of the Group are listed as follows:

#### (i) *Machineries and consumables purchased from related parties*

|                       | Unaudited<br>Six months ended<br>30 September<br>2025<br>RMB'000 | 2024<br>RMB'000 |
|-----------------------|--|-----------------|
| Controlled by Yongmao | <b>6,852</b>   | —               |

#### (ii) *Sale of property, plant and equipment to a related party*

|                       | Unaudited<br>Six months ended<br>30 September<br>2025<br>RMB'000 | 2024<br>RMB'000 |
|-----------------------|--|-----------------|
| Controlled by Yongmao | <b>4,552</b>   | 946             |

#### (iii) *Rental expenses for short-term leases*

|                             | Unaudited<br>Six months ended<br>30 September<br>2025<br>RMB'000 | 2024<br>RMB'000 |
|-----------------------------|--|-----------------|
| Controlled by Yongmao       | 819  | 1,662           |
| Under common control by THH | <b>20</b>  | 8               |
|                             | <b>839</b>   | 1,670           |

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 21. RELATED PARTY TRANSACTIONS *(Continued)*

### (b) Transactions with related parties *(Continued)*

#### (iv) Professional fee to related parties

|                             | Unaudited<br>Six months ended<br>30 September<br>2025<br>RMB'000 | 2024<br>RMB'000 |
|-----------------------------|--|-----------------|
| Under common control by THH | <u>771</u>   | 1,670           |

### (c) Balances with related parties

#### (i) Receivables from related parties

|                               | Unaudited<br>As at<br>30 September<br>2025<br>RMB'000 | Audited<br>As at<br>31 March<br>2025<br>RMB'000 |
|-------------------------------|---|---|
| <b>Trade</b>                  |   |   |
| Accounts receivable           |   |   |
| – Controlled by Yongmao       | <u>1,978</u>  | 292   |
| <b>Other receivables</b>      |   |   |
| – Under common control by THH | 90  | 164   |
| – Controlled by Yongmao       | <u>3,183</u>  | 3,598   |
|                               | <b>3,273</b>  | <b>3,762</b>                                    |

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 21. RELATED PARTY TRANSACTIONS *(Continued)*

### (c) Balances with related parties *(Continued)*

#### (ii) Prepayments to related parties

|  | Unaudited<br>As at<br>30 September<br>2025<br>RMB'000 | Audited<br>As at<br>31 March<br>2025<br>RMB'000 |
|--|---|---|
| <b>Trade</b>                             |   |   |
| – Controlled by Yongmao                  | 375   | 3,264   |
| – Under common control by THH            | 102   | –   |
|  | <hr/>   | <hr/>   |
|  | <b>477</b>  | 3,264   |
| <b>(iii) Payables to related parties</b> |   |   |
| Accounts payable                         |   |   |
| – Controlled by Yongmao                  | 29,546  | 28,561  |
| – Under common control by THH            | 48  | 86  |
|  | <hr/>   | <hr/>   |
|  | <b>29,594</b>   | 28,647  |
| <b>Other payable</b>                     |   |   |
| – Under common control by THH            | <b>416</b>  | –   |
| <b>Bills payable</b>                     |   |   |
| – Controlled by Yongmao                  | <b>1,981</b>  | –   |

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

## 21. RELATED PARTY TRANSACTIONS *(Continued)*

### (d) Key management compensation

Key management includes directors (executive and non-executive) and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

|                                   | Unaudited<br>Six months ended<br>30 September<br>2025 | 2024    |
|-----------------------------------|---|---------|
|                                   | RMB'000   | RMB'000 |
| Salaries, bonus and other welfare | <u>4,926</u>  | 2,064   |

## 22. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 18 to this report, the Company has launched the SDAX Multicurrency CP Facility Programme on 3 April 2024, pursuant to which the Company may issue and list commercial paper in the form of security tokens in multiple series on the SDAX Platform. On 9 October 2025, the Company has launched the seventh issue of commercial papers in the form of digital securities denominated in Singapore Dollars under the SDAX Multicurrency CP Facility Programme at an interest rate of 4.5% per annum and matures approximately three (3) months from the date of issuance (the **“3-month SGD Series 007 Issuance”**). On 23 October 2025, the Company raised approximately SGD26.31 million (equivalent to RMB144.74 million) through the SDAX Platform. Out of which SGD6.65 million (equivalent to RMB36.59 million) was subscribed by Tat Hong International Pte. Ltd., the controlling shareholder.



# Management Discussion and Analysis

## BUSINESS REVIEW

The Group mainly engages in the provision of one-stop tower crane solution services covering consultation, technical design, commissioning, construction to after-sales services to Chinese Special-tier and Tier-1 EPC contractors in the industries of infrastructure, clean energy, traditional energy, public and factory building, commercial and residential building etc. During the six months ended 30 September 2025, the domestic economy faced continual growth pressures, which led to extended weak demand in the construction machinery industry. Concurrently, a decline in the average monthly service price of tower cranes per tonne metre (TM) intensified the imbalance between supply and demand in the market, resulting in unprecedented fierce competition in the industry.

In response to the challenges of weak domestic demand and intensified industry competition, the Group has been proactively optimizing its business portfolio and diversifying its market presence. Strategically, on the one hand, the Company was progressively reducing the proportion of business in the domestic real estate sector while increasing exposure in clean energy fields such as thermal power, nuclear power and wind power. Leveraging its expertise in medium-to-large tower cranes, the Group focused on expanding into nuclear island and large-scale energy projects with extended construction cycles and high technical barriers. On the other hand, the Group accelerated its global market expansion and actively built a dual-driven business model at home and abroad through a series of initiatives including the establishment of a joint venture in Indonesia and the strategic expansion into the Greater Bay Area and Hong Kong with setting up subsidiaries.

During the six months ended 30 September 2025, we managed a total of 1,135 tower cranes, so as to cater for our customers' specialised range of EPC projects throughout the PRC. During the six-month period, while we had several awarded projects delayed in their commencement (one as long as 8 months), we had continued our investment in the digitalization of our management platform and the research and development of new tower crane technical solutions. We believe our robust technical capabilities will continue to enable us to improve our operational efficiency and secure more projects, and the enhancement in our research and development capabilities for tower crane technical solutions will reinforce our excellent delivery in services.

## OPERATING RESULTS

The Group recorded a net loss of approximately RMB55.1 million for the six months ended 30 September 2025, representing an increase of approximately 52.1% as compared with the net loss of approximately RMB36.2 million for the six months ended 30 September 2024. Such increase in net loss was mainly due a decline in revenue, attributable to the slower economic growth and a sluggish construction sector.

## FUTURE DEVELOPMENT

In response to the current challenges of a slow recovery in the construction industry, the Group has proactively adjusted its business strategy, focusing on clean energy projects (including nuclear power, thermal power and wind power) and overseas market expansion as its key development direction in the future. Supported by the ongoing national policies aimed at fostering economic stability, the Group is well-positioned to substantially increase its business presence in relevant sectors through its forward-looking layout, the effectiveness of which are expected to be gradually reflected in its subsequent performance.

With our core corporate values "Virtue (厚德), Safety (安全) and Excellence (卓越)", we will continue to concentrate on the research and development of new tower crane technologies to equip ourselves with the most robust technical capabilities to deliver excellent services to our clients. During the six months, we had continued to refine our digitalized management platforms "TOP" and "iSmartCon". In the next six months, we will continue our efforts to optimize our business operations and digital management platforms, so as to improve resources sharing, cost reduction and efficiency enhancement. With all the above measures, we believe we can achieve the Group's 100-year corporate vision to become "the best construction equipment service provider".

# Management Discussion and Analysis

## FINANCIAL REVIEW

### Revenue

The Group's revenue decreased to RMB301.1 million for the six months ended 30 September 2025, representing an approximately 11.7% decrease from that for the six months ended 30 September 2024. Our total TM in use decreased from 1,637,740 for the six months ended 30 September 2024 to 1,414,422 for the six months ended 30 September 2025.

### Cost of Sales

Our cost of sales decreased by approximately 5.5% from approximately RMB292.9 million for the six months ended 30 September 2024 to approximately RMB276.7 million for the six months ended 30 September 2025. Such decrease was mainly attributable to decrease in labour subcontracting cost.

### Gross Profit and Gross Profit Margin

Our overall gross profit decreased by approximately 49.0% from approximately RMB48.0 million for the six months ended 30 September 2024 to approximately RMB24.5 million for the six months ended 30 September 2025. Our overall gross profit margin decreased from approximately 14.1% for the six months ended 30 September 2024 to approximately 8.1% for the corresponding period in 2025. Such decrease was mainly due to the combined effects of the above-mentioned factors.

### Other income

The other income for the six months ended 30 September 2025 was approximately RMB0.8 million. Our other income mainly comprised of value-added tax refunds. Other income has remained relatively stable, with no significant fluctuations in its absolute value.

### Research and development expenses

Our research and development expenses increased from approximately RMB10.2 million for the six months ended 30 September 2024 to approximately RMB10.3 million for the six months ended 30 September 2025. This was mainly due to the increase in patent development projects.

### Selling and distribution expenses

Our selling and distribution expenses decreased by approximately 10.2% from approximately RMB8.2 million for the six months ended 30 September 2024 to approximately RMB7.3 million for the six months ended 30 September 2025. Such decrease was mainly due to decrease in marketing and consulting fee.

### General and administrative expenses

Our general and administrative expenses for the six months ended 30 September 2025 amounted to approximately RMB37.6 million, representing an increase of approximately RMB0.1 million or 0.3% as compared to that of approximately RMB37.5 million for the six months ended 30 September 2024. The general and administrative expenses mainly comprised of professional expenses, salary costs and office expenses. G&A expenses has remained relatively stable, with no significant fluctuations in its absolute value.



# Management Discussion and Analysis

## Finance costs

Our finance costs for the six months ended 30 September 2025 amounted to approximately RMB32.4 million, representing a decrease of approximately RMB0.5 million or approximately 1.6% as compared to that of approximately RMB33.0 million for the six months ended 30 September 2024. The decrease was mainly due to decrease in interest rates during the period.

## Income tax credit

Our income tax credit for the six months ended 30 September 2025 amounted to approximately RMB9.7 million, as compared to income tax credit of approximately RMB2.1 million for the six months ended 30 September 2024. Such increase was due to the increase in losses for the six months ended 30 September 2025.

## Loss for the Period

As a result of the foregoing reasons, the Group recorded a loss of RMB55.1 million during the six months ended 30 September 2025 as compared to a loss of RMB36.2 million in the corresponding period, representing an increase of approximately RMB18.9 million or approximately 52.1% as compared with that for the same period in 2024.

## Working capital structure

The Group's net current assets amounted to approximately RMB145.8 million as at 30 September 2025, representing an increase of approximately RMB17.8 million from that as at 31 March 2025, which was mainly due to decrease in trade payables and provisions.

## Liquidity and financial management

A substantial amount of capital is required to fund our purchase of tower cranes, working capital requirements and general business expansion. Our operations and growth have primarily been financed by cash generated from our operations.

The Group strives to maintain a healthy financial position and liquidity for its normal operation, development needs and ad-hoc events. As at 30 September 2025, the cash and cash equivalents were approximately RMB133.1 million, representing a decrease of approximately RMB12.5 million when compared with that as at 31 March 2025.

The Group's current ratio (which represents the total sum of current assets, divided by the total sum of current liabilities) was 1.13 times as at 30 September 2025, as compared to that of 1.12 times as at 31 March 2025.

The gearing ratio of the Group (which represents the total liabilities divided by the total assets) was 58.3% as at 30 September 2025, as compared to that of 58.1% as at 31 March 2025. The increase in gearing ratio was mainly attributable to the increase in lease liabilities.

# Management Discussion and Analysis

## Pledge of assets

As at 30 September 2025, the Group pledged machineries with carrying amount of approximately RMB844.8 million (31 March 2025: RMB928.8 million) for the bank borrowing and other borrowings of the Group.

As at 30 September 2025, the Group pledged accounts receivable with carrying amount of approximately RMB191.4 million (31 March 2025: RMB236.9 million) for the bank borrowing of the Group.

As at 30 September 2025, the land-use rights with carrying value of approximately RMB11.3 million (31 March 2025: RMB11.5 million) were secured for the bank borrowings of the Group.

As at 30 September 2025, the buildings with carrying value of approximately RMB4.5 million (31 March 2025: RMB4.7 million) were secured for the bank borrowings of the Group.

## Lease Liabilities

The lease liabilities increased by approximately 15.6% from approximately RMB141.7 million as at 31 March 2025 to approximately RMB163.7 million as at 30 September 2025. This was mainly due to an increase in leases of tower cranes.

As at 30 September 2025, the lease liabilities of RMB30.4 million (31 March 2025: RMB32.8 million) were secured by the pledge of machinery with carrying value of RMB39.4 million (31 March 2025: RMB41.2 million).

## CAPITAL COMMITMENT

As at 30 September 2025, the contracted but not delivered property, plant and equipment was approximately RMB67.1 million, representing an increase of approximately RMB58.6 million from that as at 31 March 2025.

## CONTINGENT LIABILITIES

Save as disclosed in this report, the Group had no contingent liabilities.

## FOREIGN EXCHANGE RISK MANAGEMENT

The net exchange loss for the six months ended 30 September 2025 amounted to approximately RMB0.2 million, as compared to the net exchange gain of approximately RMB0.2 million for the six months ended 30 September 2024. The Group mainly operates in the PRC with most of the transactions settled in RMB. The Board is of the view that the Group's foreign exchange rate risks are not the main risks in the subsequent period. Thus, the Group has not entered into any derivative contracts to hedge against the foreign exchange rate risk during the six months ended 30 September 2025.

## DIVIDEND

The Board had resolved not to declare any dividend for the six months ended 30 September 2025 (2024: Nil).



# Management Discussion and Analysis

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

During the six months ended 30 September 2025, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures. As at 30 September 2025, the Group did not have any immediate plans for material investments and capital assets.

## **SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS**

During the six months ended 30 September 2025, the Group did not have any significant investment or capital assets.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2025, the Group employed a total of 783 employees who include the directors of the Company and its subsidiaries (30 September 2024: 691 employees). The total employee benefits expenses for the six months ended 30 September 2025 was RMB55.9 million, an increase of 37.1% when compared with that for the six months ended 30 September 2024. This increase was mainly attributable to the growth in staff headcount, which resulted from the transfer of subcontract works to the Group's own employees.

The Group offers its employees competitive remuneration packages based on their performance, qualifications, competence displayed and market comparable to attract, retain and motivate high quality individuals. Remuneration package typically comprises salary, contribution to pension schemes and discretionary bonuses. The Group also provides trainings to its staff. Remuneration packages are reviewed regularly to reflect the market practice and employees' performance.

Employees of the Group in the PRC are entitled to participate in various government supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

## **EVENTS AFTER THE REPORTING PERIOD**

On 9 October 2025, the Company has launched the seventh issue of commercial papers in the form of digital securities denominated in Singapore Dollars under the SDAX Multicurrency CP Facility Programme at an interest rate of 4.5% per annum and matures approximately three (3) months from the date of issuance. For further details, please refer to the announcement of the Company dated 9 October 2025.

Save as disclosed in this report, there were no other significant events that might affect the Group since 30 September 2025 and up to the date of this report.

## Other Information

### INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2025, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “**SFO**”)) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) were as follows:

#### (A) Long position in the Shares

| Name of Director  | Capacity         | Number and class of securities held/interested | Approximate percentage of shareholding in the Company |
|---|------------------|--|---|
| Mr. Ng San Tiong (“ <b>Mr. Ng</b> ”) <small>(Notes 1&amp;2)</small> | Trustee          | 854,472,387 ordinary Shares                    | 73.23%  |
| Mr. Yau Kok San   | Beneficial owner | 4,957,135 ordinary Shares                      | 0.42%   |
| Mr. Lin Han-wei   | Beneficial owner | 6,344,137 ordinary Shares                      | 0.54%   |

#### (B) Long position in the ordinary shares of associated corporation

| Name of Director                      | Name of associated corporation                                   | Capacity                    | Approximate percentage of interest |
|---------------------------------------|--|-----------------------------|------------------------------------|
| Mr. Ng <small>(Notes 1&amp;2)</small> | Chwee Cheng & Sons Pte. Ltd. (“ <b>Chwee Cheng &amp; Sons</b> ”) | Trustee<br>Beneficial owner | 38.33%<br>13.64%                   |

Notes:

1. Tat Hong Equipment (China) Pte. Ltd. (“**Tat Hong China**”) directly held approximately 72.30% of the issued capital of the Company and held 0.85% of the issued capital of the Company through its wholly-owned subsidiary, TH Straits 2015 Pte. Ltd. (“**TH Straits 2015**”). Tat Hong China is owned approximately 88.40% by Tat Hong International Pte. Ltd. (“**Tat Hong International**”) and 11.60% by Yongmao Holdings Limited. For the shareholding structure of Tat Hong International, Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee, as joint trustees of the Chwee Cheng Trust (an irrevocable discretionary trust established by Mr. Ng’s father, with Mr. Ng and his family members as beneficiaries and Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee as the joint trustees), owns approximately 38.33% of the shares of Chwee Cheng & Sons, which in turn owns 100% of the shares of TH60 Investments Pte. Ltd. (“**TH60 Investments**”), which in turn owns approximately 70.79% of the shares of THSC Investments Pte. Ltd. (“**THSC Investments**”), which in turn owns 100% of the shares of Tat Hong Holdings Ltd. (“**Tat Hong Holdings**”), which in turn owns 100% of the shares of Tat Hong International. By virtue of the SFO, each of Tat Hong International, Tat Hong Holdings, THSC Investments, TH60 Investments, Chwee Cheng & Sons, Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee are deemed or taken to be interested in all the Shares in which Tat Hong China is interested.
2. TH Investments Pte Ltd directly held approximately 0.08% of the issued capital of the Company, Chwee Cheng & Sons owns 100% of the shares of Tat Hong Investments Pte Ltd, which in turn owns 100% of the shares of TH Investments Pte Ltd. Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee, as joint trustees of the Chwee Cheng Trust (an irrevocable discretionary trust established by Mr. Ng’s father, with Mr. Ng and his family members as beneficiaries and Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee as the joint trustees), owns approximately 38.33% of the shares of Chwee Cheng & Sons. By virtue of the SFO, each of Chwee Cheng & Sons, Tat Hong Investments Pte Ltd, Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee are deemed or taken to be interested in all the Shares in which TH Investments Pte Ltd is interested.



## Other Information

Save as disclosed above, as at 30 September 2025, none of the Directors or chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was 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 short positions which they were taken or deemed to have under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors and chief executive of the Company are aware, as at 30 September 2025, the following Shareholders (other than the interests of the Directors and the chief executives of the Company) had interests in the Shares or underlying Shares of the Company which were required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, and which were required to be kept under Section 336 of the SFO:

#### Long position in the Shares, underlying Shares and debentures

| Name   | Capacity/<br>Nature of interest                          | Number of<br>Shares held/<br>interested | Approximate<br>percentage of<br>shareholding in<br>the Company |
|--|--|---|--|
| Tat Hong China <sup>(Note 1)</sup>                                       | Beneficial owner and interest in controlled corporations | 853,532,387                             | 73.15%   |
| Tat Hong International <sup>(Note 1)</sup>                               | Interest in controlled corporations                      | 853,532,387                             | 73.15%   |
| Tat Hong Holdings <sup>(Note 1)</sup>                                    | Interest in controlled corporations                      | 853,532,387                             | 73.15%   |
| THSC Investments <sup>(Note 1)</sup>                                     | Interest in controlled corporations                      | 853,532,387                             | 73.15%   |
| TH60 Investments <sup>(Note 1)</sup>                                     | Interest in controlled corporations                      | 853,532,387                             | 73.15%   |
| Chwee Cheng & Sons <sup>(Notes 1&amp;2)</sup>                            | Interest in controlled corporations                      | 854,472,387                             | 73.23%   |
| Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee <sup>(Notes 1&amp;2)</sup> | Trustee  | 854,472,387                             | 73.23%   |
| PHILLIP CAPITAL (HK) LIMITED <sup>(Note 3)</sup>                         | Beneficial owner   | 64,738,000                              | 5.55%  |
| LIM Hua Min <sup>(Note 3)</sup>  | Interest in controlled corporations                      | 64,738,000                              | 5.55%  |

Notes:

1. Tat Hong China directly held approximately 72.30% of the issued capital of the Company and held 0.85% of the issued capital of the Company through its wholly-owned subsidiary, TH Straits 2015. Tat Hong China is owned approximately 88.40% by Tat Hong International and 11.60% by Yongmao Holdings Limited. For the shareholding structure of Tat Hong International, Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee, as joint trustees of the Chwee Cheng Trust (an irrevocable discretionary trust established by Mr. Ng's father, with Mr. Ng and his family members as beneficiaries and Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee as the joint trustees), owns approximately 38.33% of the shares of Chwee Cheng & Sons, which in turn owns 100% of the shares of TH60 Investments, which in turn owns approximately 70.79% of the shares of THSC Investments, which in turn owns 100% of the shares of Tat Hong Holdings, which in turn owns 100% of the shares of Tat Hong International. By virtue of the SFO, each of Tat Hong International, Tat Hong Holdings, THSC Investments, TH60 Investments, Chwee Cheng & Sons, Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee are deemed or taken to be interested in all the Shares in which Tat Hong China is interested.
2. TH Investments Pte Ltd directly held approximately 0.08% of the issued capital of the Company, Chwee Cheng & Sons owns 100% of the shares of Tat Hong Investments Pte Ltd, which in turn owns 100% of the shares of TH Investments Pte Ltd. Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee, as joint trustees of the Chwee Cheng Trust, owns approximately 38.33% of the shares of Chwee Cheng & Sons. By virtue of the SFO, each of Chwee Cheng & Sons, Tat Hong Investments Pte Ltd, Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee are deemed or taken to be interested in all the Shares in which TH Investments Pte Ltd is interested.

## Other Information

3. PHILLIP CAPITAL (HK) LIMITED is owned as to 85% by LIM Hua Min. By virtue of the SFO, LIM Hua Min is deemed to be interested in all the Shares in which PHILLIP CAPITAL (HK) LIMITED is interested.

Save as disclosed above, as at 30 September 2025, the Directors are not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares 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.

### SHARE OPTION SCHEME

On 13 January 2021, a share option scheme (the “**Share Option Scheme**”) with terms complying with Chapter 17 of the Listing Rules was conditionally approved and adopted by the then shareholders of the Company. The purpose of the Share Option Scheme is to grant share options to eligible persons as incentives or rewards for their contributions to the Group. Details of the principal terms of the Share Option Scheme are set out in the prospectus of the Company dated 30 December 2020.

As at 1 April 2025 and 30 September 2025, the number of option available for grant under the Share Option Scheme was 116,687,125. During the six months ended 30 September 2025 and up to the date of this report, no share option was granted, exercised, lapsed or cancelled, and there was no outstanding share option under the Share Option Scheme.

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

During the six months ended 30 September 2025 and up to the date of this report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares).

As at 30 September 2025, the Company did not hold any treasury shares.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Directors are committed to achieving high standards of corporate governance with a view to safeguarding the interests of the Shareholders. The Board has reviewed the corporate governance practices of the Company and is of the view that the Company has applied and complied with all the principles and code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules during the six months ended 30 September 2025.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its code of conduct regarding securities transactions by the Directors on the terms no less exacting than the required standard as set out in the Model Code in Appendix C3 to the Listing Rules. Having made specific enquiries of all Directors of the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 September 2025.

### REVIEW OF THE INTERIM RESULTS BY AUDIT COMMITTEE

The Company has set up an audit committee (the “**Audit Committee**”) for the purposes of reviewing and providing supervision over the financial reporting process and internal audit function of the Group, reviewing the internal controls and risk management systems of the Group. The Audit Committee comprises three independent non-executive Directors, namely Ms. Pan I-Shan, Mr. Wan Kum Tho and Dr. Huang Chao-Jen. Ms. Pan I-Shan is the chairlady of the Audit Committee.

The Audit Committee has reviewed and has no disagreement to the unaudited interim condensed consolidated financial results of the Group for the six months ended 30 September 2025 and the accounting principles and practices adopted by the Group. The Audit Committee considers that the interim financial information of the Company has complied with the applicable accounting standards and the Company has made appropriate disclosure thereof.



## Other Information

### CHANGE IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information of the Director subsequent to the publication of the annual report of the Company for the year ended 31 March 2025 is set out below:

| Name of Director  | Details of change  |
|---|--|
| <i>Independent Non-executive Director</i><br>Pan I-Shan | <ul style="list-style-type: none"><li>Appointed as a member of the nomination committee of the Company on 12 August 2025</li></ul> |

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report.