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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1341)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2019

The board (the "**Board**") of directors (the "**Directors**") of Hao Tian International Construction Investment Group Limited (the "**Company**") hereby announces the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2019 (the "**Year**") together with the comparative figures for corresponding year ended 31 March 2018 (the "**Previous Year**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2019

	Notes	**2019** **HK$'000**	2018 HK$'000
Revenue	*4*	**176,518**	165,869
Cost of revenue		**(148,779)**	(152,396)
Gross profit		**27,739**	13,473
Other income, other gains and losses	*5*	**24,892**	12,181
Administrative expenses		**(45,319)**	(33,949)
Expected credit loss on financial assets		**(11,560)**	–
Share of profit of joint ventures		**5,453**	–
Finance costs	*6*	**(7,815)**	(7,630)
Loss before taxation		**(6,610)**	(15,925)
Income tax credit	*7*	**153**	3,399
Loss and total comprehensive expense for the year	*8*	**(6,457)**	(12,526)
Attributable to:			
Owners of the Company		**(6,452)**	(12,528)
Non-controlling interests		**(5)**	2
		(6,457)	(12,526)
			(Restated)
Loss per share (HK cents)	*10*		
Basic		**(0.20)**	(0.52)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2019

	Notes	2019 HK$'000	2018 HK$'000
Non-current assets			
Property, plant and equipment		**243,860**	285,977
Intangible assets	*11*	**16,419**	–
Goodwill		**46,417**	–
Finance lease receivables		**6,901**	9,529
Loan receivables	*12*	**16,046**	–
Deferred tax assets		**3,913**	4,743
Pledged bank deposits		**4,654**	4,627
Deposit for acquisition of subsidiaries		**–**	100,000
Deposits for acquisition of property, plant and equipment		**2,719**	414
Interests in joint ventures	*13*	**165,387**	–
		506,316	405,290
Current assets			
Inventories		**1,716**	14,410
Trade receivables	*14*	**82,158**	81,595
Other receivables, deposits and prepayments		**4,500**	4,061
Finance lease receivables		**7,104**	6,959
Loan receivables	*12*	**147,259**	–
Amounts due from fellow subsidiaries		**11,283**	–
Amount due from a director		**–**	55
Financial assets at fair value through profit or loss	*15*	**114,376**	–
Tax recoverable		**707**	2,207
Bank balances, trust and segregated accounts		**7,266**	–
Bank balances and cash		**129,543**	119,709
		505,912	228,996
Assets classified as held for sales		**68,086**	–
Total current assets		**573,998**	228,996

	Notes	**2019** **HK$'000**	2018 HK$'000
Current liabilities			
Trade payables	*16*	**14,009**	21,980
Accruals, deposits received and other payables		**17,613**	13,039
Contract liabilities	*4*	**628**	–
Amount due to a director		**7,434**	–
Amounts due to fellow subsidiaries		**5,034**	260
Amount due to an intermediate holding company		**4,290**	–
Borrowings		**118,117**	113,266
Obligations under finance leases		**4,153**	4,340
Loan from a director		**40,000**	–
Tax payable		**614**	–
		211,892	152,885
Liabilities directly associated with assets classified as held for sales		**40**	–
Total current liabilities		**211,932**	152,885
Net current assets		**362,066**	76,111
Total assets less current liabilities		**868,382**	481,401
Non-current liabilities			
Borrowings		**37,681**	52,005
Obligations under finance leases		**5,704**	8,341
Loan from a director		**30,000**	40,000
Deferred tax liabilities		**28,236**	28,063
		101,621	128,409
Net assets		**766,761**	352,992
Equity			
Share capital	*17*	**41,500**	24,000
Reserves		**725,014**	328,740
Equity attributable to owners of the Company		**766,514**	352,740
Non-controlling interests		**247**	252
Total equity		**766,761**	352,992

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2019

1. GENERAL INFORMATION

Hao Tian International Construction Investment Group Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2004 revision) Chapter 22 of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108 Cayman Islands and its principal place of business in Hong Kong changes to Rooms 4917–4932, 49/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

The Company's immediate and ultimate holding company is Hao Tian Management (China) Limited and Asia Link Capital Investment Holdings Limited, which are incorporated in Hong Kong and the British Virgin Islands ("**BVI**"), respectively, and the ultimate controlling shareholder is Ms. Li Shao Yu.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the functional currency of the Company.

The Company is an investment holding company and the Group is principally engaged in rental of construction machinery, trading of construction machinery, spare parts and construction materials, provision of machinery transportation, repair and maintenance services and provision of commodities, future, securities brokerage and financial services mainly in Hong Kong.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied for the first time the following new and revised standards and interpretation ("**new and revised HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") which are effective for the Group's financial year beginning on or after 1 April 2018.

Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards
Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKAS 28, Investments in Associates and Joint Ventures
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)
Amendments to HKAS 40	Transfers of Investment Property
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration

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

The new and revised HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures.

Changes in accounting policies of application on HKFRS 15 "Revenue from Contracts with Customers" ("HKFRS 15")

In the current year, the Group has applied HKFRS 15 for the first time retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 April 2018. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations with no material effect on timing and amount of revenues recognised in the consolidated financial statements.

The Group recognises revenue from the following major sources:

- Leasing of construction machineries
- Lending of money
- Provision of commodities, futures and securities brokerage services
- Provision of various services for construction machineries
- Sales of construction machineries and materials

Revenue from leasing of construction machineries will continue to be accounted for in accordance with HKAS 17 "Leases". Interest revenue is accounted for under HKFRS 9.

Revenue from provision of various services for construction machineries and provision of commodities, futures and securities brokerage services are recognised at a point in time when the Group completes satisfaction of the relevant performance obligation.

Revenue from sales of construction machineries and materials is recognised when the respective goods have been completed and delivered to the customers which is a point in time when customers have the ability to direct the use of the construction machineries and materials and obtain substantially all of the remaining benefits of the construction machineries and materials.

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligations

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents goods and services (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or services.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

The directors of the Company have assessed that the revenue from sales of construction machineries and materials represent only one performance obligation and, accordingly, revenue will be recognised for this performance obligation when control over the corresponding goods is transferred to the customer. The directors of the Company consider that there is no significant impact in respect of revenue recognition on sales of construction machinery and materials under HKFRS 15.

In the opinion of the directors of the Company, the application of HKFRS 15 has no material impact on the amounts recognised in the consolidated financial statements and classification of items in the consolidated statement of financial position.

Impacts and changes in accounting policies of application on HKFRS 9 "Financial Instruments" and the related amendments

In the current year, the Group has applied HKFRS 9 "Financial Instruments" ("**HKFRS 9**") and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses ("**ECL**") for financial assets and (3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement" ("**HKAS 39**").

Key changes in accounting policies resulting from application of HKFRS 9

Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("**FVTOCI**"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("**FVTPL**"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combinations" applies.

In addition, the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "Other income, other gains and losses" line item.

The directors of the Company reviewed and assessed the Group's financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date. Changes in classification and measurement on the Group's financial assets and the impacts thereof are detailed below.

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, loan receivables, other receivables, finance lease receivables, pledged bank deposits and bank balances and cash). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on trade receivables are assessed collectively using a provision matrix with appropriate groupings.

After performing the assessment of expected credit loss on the Group's existing trade receivables, HK$9,024,000 was recognised by the Group as at 1 April 2018.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, loan receivables and amounts due from associates where the corresponding adjustment is recognised through a loss allowance account.

As at 1 April 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. The results of the assessment and the impact thereof are detailed in below.

Summary of effects arising from initial application of HKFRS 9 Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables. To measure the ECL, contract assets and trade receivables have been grouped based on shared credit risk characteristics.

Loss allowances for other financial assets at amortised cost mainly comprise of loan receivables, other receivables and finance lease receivables, are measured on 12m ECL basis and there had been no significant increase in credit risk since initial recognition.

As at 1 April 2018, the additional credit loss allowance of HK$11,205,000 has been recognised against retained profits. The additional loss allowance is charged against the respective asset.

Except as described above, the application of other amendments to HKFRSs in the current year has had no material effect on the amounts reported and/or disclosures set out in these consolidated financial statements.

Impacts on opening consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the Group's accounting policies above, the opening consolidated statement of financial position had to be restated. The following table shows the adjustments recognised for each individual line item.

	31 March 2018 *HK$'000* (Audited)	HKFRS 9 *HK$'000*	HKFRS 15 *HK$'000*	1 April 2018 *HK$'000* (Restated)
Non-current assets				
Finance lease receivables	9,529	–	–	9,529
Others with no adjustments	395,761	–	–	395,761
	405,290	–	–	405,290
Current assets				
Trade receivables	81,595	(9,024)	–	72,571
Other receivables, deposits and prepayments	4,061	(581)	–	3,480
Finance lease receivables	6,959	(1,600)	–	5,359
Others with no adjustments	136,381	–	–	136,381
	228,996	(11,205)	–	217,791
Current liabilities				
Contract liabilities	–	–	1,951	1,951
Accruals, deposits received and other payables	13,039	–	(1,951)	11,088
Others with no adjustments	139,846	–	–	139,846
	152,885	–	–	152,885
Net current assets	76,111	(11,205)	–	64,906
Total assets less current liabilities	481,401	(11,205)	–	470,196
Capital and reserves				
Equity attributable to owners of the Company	352,740	(11,205)	–	341,535
Non-controlling interests	252	–	–	252
Total equity	352,992	(11,205)	–	341,787
Non-current liabilities				
Deferred tax liability	28,063	–	–	28,063
Other with no adjustments	100,346	–	–	100,346
	128,409	–	–	128,409
Total equity and non-current liabilities	481,401	(11,205)	–	470,196

3. SEGMENT INFORMATION

Information reported to the chief executive officer, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on the nature of the operations of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

Trading of construction machinery, spare parts and construction materials	—	sale of crawler cranes, aerial platforms, foundation equipment and construction materials
Rental of construction machinery and provision of repair and maintenance service	—	rent of cranes, aerial platforms and foundation equipment and provision of repair and maintenance service for the machinery rented
Provision of transportation services	—	provision of transportation service including local container delivery, site construction delivery and heavy machinery delivery
Provision of commodities, future, securities brokerage and financial services	—	provision of commodities, future, securities brokerage service and property mortgage loans, machinery loans and personal loans service

No segment assets and liabilities are presented as the CODM does not regularly review segment assets and liabilities.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 March 2019

	Trading of construction machinery, spare parts and construction material *HK$'000*	Rental of construction machinery and provision of repair and maintenance service *HK$'000*	Provision of transportation services *HK$'000*	Provision of commodities, future, securities brokerage and financial services *HK$'000*	Total *HK$'000*
Revenue					
From external customers	**54,760**	**106,100**	**1,549**	**14,109**	**176,518**
Segment profit (loss)	**(268)**	**6,001**	**(1,121)**	**(6,987)**	**(2,375)**
Other income, other gains and losses					**16,565**
Finance costs					**(3,380)**
Corporate expenses					**(22,873)**
Share of profit of joint ventures					**5,453**
Loss before taxation					**(6,610)**

For the year ended 31 March 2018

	Trading of construction machinery, spare parts and construction materials	Rental of construction machinery and provision of repair and maintenance service	Provision of transportation services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue				
From external customers	46,762	117,870	1,237	165,869
Segment profit (loss)	6,017	743	(667)	6,093
Other income, other gains and losses				525
Finance costs				(3,420)
Corporate expenses				(19,123)
Loss before taxation				(15,925)

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment profit (loss) represent the profit earned by or loss from each segment without allocation of certain other income, other gains and losses, certain finance costs and corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

4. REVENUE

An analysis of revenue is as follows:

	2019	2018
	HK$'000	*HK$'000*
Revenue from contract with customers:		
Sale of machinery and spare parts	**46,163**	14,211
Sale of rental machinery	**8,597**	32,551
Transportation service income	**1,549**	1,237
Other service income	**7,991**	12,106
Commission income generated from commodities, futures and securities brokerage	**1,305**	–
Revenue from other sources		
Rental income from leasing of machinery	**78,033**	75,231
Rental income from sub-leasing of machinery	**20,076**	30,533
Interest income generated from money lending	**12,804**	–
	176,518	165,869

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 March 2019

Segments	Trading of construction machinery, spare parts and construction materials *HK$'000*	Provision of repair and maintenance service *HK$'000*	Provision of transportation services *HK$'000*	Provision of commodities, futures and securities brokerage service *HK$'000*	Total *HK$'000*
Sale of machinery and spare parts	46,163				46,163
Sale of rental machinery	8,597				8,597
Transportation service income			1,549		1,549
Other service income		7,991			7,991
Commission income generated from commodities, futures and securities brokerage				1,305	1,305
Total revenue from contract with customers	54,760	7,991	1,549	1,305	65,605
Geographical markets					
Hong Kong	54,680	7,451	1,528	1,305	64,964
Macau	80	540	21	–	641
Total revenue from contract with customers	54,760	7,991	1,549	1,305	65,605
Timing of revenue recognition					
At a point in time	54,760	7,991	1,549	1,305	65,605
Over time	–	–	–	–	–
Total revenue from contract with customers	54,760	7,991	1,549	1,305	65,605

	Contract liabilities *HK$'000*
At 1 April 2018 — HKFRS 15	1,951
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(1,951)
Increase in the contract liabilities as a result of billing in advance of sales of goods	628
At 31 March 2019	628

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of machinery and spare parts

The performance obligation is satisfied upon delivery of the machinery and spare parts.

Sale of rental machinery

Customers obtain control of the machinery and spare parts when the goods are delivered to and have been accepted. Revenue is thus recognised at a point in time basis upon when the customers accepted the machinery and spare parts. There is generally only one performance obligation.

Transportation service income

Transportation services are generally provided within one day. Revenue of transportation service is recognised at a point in time basis when the customer obtains control of the services. There is generally only one performance obligation.

Other service income

Other service income which generated from repair and maintenance services which are generally provided within one day. Revenue of other service income is recognised at a point in time basis when the customer obtains control of the services. There is generally only one performance obligation.

Commission income generated from commodities, futures and securities brokerage

The performance obligation is satisfied at a point in time when the execution of purchases, sales or other transaction or services by the Group on behalf of its clients at an agreed rate.

5. OTHER INCOME, OTHER GAINS AND LOSSES

	2019	2018
	HK$'000	*HK$'000*
Other income		
Interest income from bank deposits	**48**	26
Finance lease income	**1,471**	673
Rental income from leasing a warehouse property and a motor vehicle	**168**	432
Sundry income	**1,108**	1,363
	2,795	2,494
Other gains and (losses)		
Net foreign exchange loss	**(804)**	(1,177)
Net gain on disposal and write-off of property, plant and equipment	**52**	466
Allowance for bad and doubtful debts	**–**	(921)
Reversal of allowance for bad and doubtful debt and receipt of related interest	**–**	12,961
Compensation received from a customer	**5,229**	–
Refund of costs incurred for a litigation	**–**	2,358
Impairment loss of property, plant and equipment	**(307)**	(4,000)
Change in fair value of financial assets at fair value through profit and loss	**17,927**	–
	22,097	9,687
	24,892	12,181

6. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
Interest on borrowings	**6,148**	6,570
Finance lease interest	**317**	326
Director's loan interest	**1,350**	734
	7,815	7,630

7. TAXATION

	2019 *HK$'000*	2018 *HK$'000*
Hong Kong:		
Current tax	**614**	493
Under(over)provision in prior years	**214**	(2,795)
	828	(2,302)
Deferred tax credit	**(981)**	(1,097)
Income tax credit	**(153)**	(3,399)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

8. LOSS FOR THE YEAR

	2019 *HK$'000*	2018 *HK$'000*
Loss for the year is arrived at after charging:		
Auditor's remuneration	**921**	1,000
Amortisation of intangible assets	**601**	–
Depreciation of property, plant and equipment	**39,397**	44,351
Cost of inventories recognised as expenses	**49,528**	30,926
Minimum lease payment in respect of		
— Land and buildings	**3,055**	1,514
— Machinery	**10,791**	22,164
Staff costs:		
Directors' and chief executive's emoluments	**6,697**	5,454
Other staff costs		
— Salaries and other benefits	**50,278**	53,154
— Retirement benefits scheme contributions	**1,878**	1,863
	58,853	60,471

9. DIVIDEND

No dividend was paid or proposed by the directors of the Company for both years nor has any dividend been proposed since the end of the reporting period.

10. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	2019	2018
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic loss per share (loss for the year attributable to owners of the Company)	**(6,452)**	(12,528)

	2019	2018
	'000	*'000*
		(restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss earning per share	**3,263,756**	2,405,272

No diluted loss per share were presented as there were no potential ordinary shares in issue for years ended 31 March 2019 and 2018.

11. INTANGIBLE ASSETS

	Customer relationship	**Securities brokerage licenses**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
COST			
At 1 April 2017, 31 March 2018 and 1 April 2018	–	–	–
Acquisition of subsidiaries	12,020	5,000	17,020
At 31 March 2019	12,020	5,000	17,020
ACCUMULATED AMORTISATION			
At 1 April 2017, 31 March 2018 and 1 April 2018	–	–	–
Charge for the year	601	–	601
At 31 March 2019	601	–	601
NET BOOK VALUE			
At 31 March 2019	11,419	5,000	16,419
At 31 March 2018	–	–	–

Notes:

(i) Approximately HK$17,020,000 of the total amounts represents amount paid for the customer relationship and securities brokerage licenses acquired by the Group, which amounted to approximately HK$12,020,000 and approximately HK$5,000,000 respectively, through the acquisition of Hao Tian International Financial Holdings Limited.

The recoverable amount of intangible asset has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period with a discount rate of 10.7%. Cash flows after five years period are extrapolated at 3% growth rate. Another key assumption for the value in use calculation is the budgeted revenue and gross margin, which is determined based on the units's past performance and management's expectations for the market development.

12. LOAN RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Non-current:		
Secured, fixed-rate loan receivables *(Note)*	**16,968**	–
Less: Provision of impairment loss	**(922)**	–
	16,046	–
Current:		
Secured, fixed-rate loan receivables *(Note)*	**67,276**	–
Unsecured and guaranteed, fixed-rate loan receivables	**61,913**	–
Unsecured and non-guaranteed fixed rate loan receivable	**24,114**	–
Less: Provision of impairment loss	**(6,044)**	–
	147,259	–
	163,305	–

Note: The loan receivables are secured by properties and equity securities held by the borrowers.

Movements on the Group's impairment of loans receivable are as follows:

	Stage 1	**Stage 2**	**Stage 3**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 31 March 2018 as originally presented	–	–	–	–
Impact of adopting HKFRS 9	–	–	–	–
Balance at 1 April 2018 as restated	–	–	–	–
New loans originated	6,966	–	–	6,966
As at 31 March 2019	6,966	–	–	6,966

In general, loans receivable are considered as default when the loans receivable or its related installments are overdue by over 90 days. As at 31 March 2019, loans receivable of HK$Nil was default under lifetime ECL and a provision of HK$Nil was provided.

For loans that are not credit-impaired without significant increase in credit risk since initial recognition ("**Stage 1**"), ECL is measured at an amount equal to the portion of lifetime ECL that result from default events possible within the next 12 months. If a significant increase in credit risk since initial recognition is identified ("**Stage 2**") but not yet deemed to be credit impaired, ECL is measured based on lifetime ECL. In general, when loans receivable or its related installments are overdue by 30 days, there are significant increase in credit risk. During the year ended 31 March 2019, total provision of HK$6,966,000 under Stage 1 and Stage 2 was released to the consolidated statement of comprehensive income based on assessment from ECL model.

13. INTERESTS IN JOINT VENTURES

	2019	2018
	HK$'000	*HK$'000*
At the beginning of the year	**–**	–
Invest in joint ventures during the year	**159,934**	–
Share of profit for the year	**5,453**	–
At the end of the year	**165,387**	–

As at 31 March 2019, particulars of the joint ventures were as follows:

	Form of business structure	**Place of incorporation**	**Percentage of ownership interest**	**Principal activities**
Riverwood China Growth Fund	Incorporated	Cayman Islands	51.58%	Investment holdings
延安振興發展產業投資基金管理有限公司	Incorporated	PRC	35%	Investment holdings

Summarised financial information of the joint venture

Set out below are the summarised financial information of Riverwood China Growth Fund, extracted from its management accounts for the year ended 31 March 2019:

	2019
	HK$'000
Current assets	**319,786**
Current liabilities	**6,228**
Loss and total comprehensive expense for the year	**(27,838)**

Reconciliation of the above summarised financial information to the carrying amount of the investment in Riverwood China Growth Fund recognised in the consolidated financial statements:

	2019
	HK$'000
Equity attributable to the owners	**313,558**
Proportion of the Group's ownership interests	**51.58%**
Carrying amount of the Group's investment in Riverwood China Growth Fund	**161,733**

Set out below are the summarised financial information of 延安振興發展產業投資基金管理有限公司, extracted from its management accounts for the year ended 31 March 2019:

	2019
	HK$'000
Non-current assets	**1,611**
Current assets	**9,004**
Current liabilities	**176**
Loss and total comprehensive expense for the year	**(803)**

Reconciliation of the above summarised financial information to the carrying amount of the investment in 延安振興發展產業投資基金管理有限公司 recognised in the consolidated financial statements:

	2019
	HK$'000
Equity attributable to the owners	**10,439**
Proportion of the Group's ownership interests	**35%**
Carrying amount of the Group's investment in 延安振興發展產業投資基金管理有限公司	**3,654**

14. TRADE RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables from clients arising from		
— Rental income from construction machinery business	**45,963**	57,229
— Trading and provision of other service from construction machinery	**622**	29,527
— Securities brokerage	**51,126**	–
Margin and other trade related deposits with brokers and financial institutions arising from		
— futures brokerage	**3,005**	–
Less: Allowance for impairment	**(18,558)**	(5,161)
	82,158	81,595

For those cash commodities and securities trading clients, it normally takes two to three days to settle after trade date of those transactions. These outstanding unsettled trades due from clients are reported as trade receivables from clients.

The margin clients of the commodities and securities brokerage business are required to pledge their shares to the Group for credit facilities for securities trading.

The settlement terms of trade receivables from clearing houses are usually one to two days after the trade date.

The following is an aged analysis of trade receivables from client arising from construction machinery business, presented based on invoice dates net of allowance for impairment at the end of the reporting period:

	2019	2018
	HK$'000	*HK$'000*
0–30 days	**8,712**	37,755
31–90 days	**13,680**	20,408
91–180 days	**2,403**	8,059
181–365 days	**3,135**	13,496
Over 365 days	**5,981**	1,877
	33,911	81,595

Included in the Group's trade receivable balances were debtors with aggregate carrying amount of HK$43,840,000 which were past due for which the Group had not provided for allowance for bad and doubtful debts as at 31 March 2018. Based on past experience, the directors of the Company are of the opinion that no further provision is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Trade receivables from cash and margin clients arising from the commodities and securities brokerage business are repayable on demand subsequent to settlement date. No aging analysis is disclosed as in the opinion of directors, the aging analysis does not provide additional value in view of the nature of commodities and securities dealing business. The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group. As at 31 March 2019, the total value of securities pledged as collateral in respect of the margin loans was approximately HK$147,424,000 (2018: HK$ Nil) based on the market value of the securities as at the end of the reporting period.

Credits are extended to brokerage clients on a case-by-case basis in accordance with the financial status of clients such as their financial conditions, trading records, business profile and collateral available to the Group. Clients trading in commodities and obtaining securities margin financing from the Group are required to observe the Group's margin policies. For commodities, initial margins are required before trading and thereafter clients are required to keep the equity position at a prescribed maintenance margin level.

Upon application of HKFRS 9 on 1 April 2018, the Group applies simplified approach to provide for ECL prescribed by HKFRS 9. To measure the ECL of trade receivables, trade receivables have been grouped based on shared credit risk characteristics. The ECL of trade receivables as at 1 April 2018 (upon the application of HKFRS 9) and 31 March 2019 was approximately HK$14,185,000 and HK$18,558,000 respectively based on the counterparties' past repayment history. The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and study of other corporates' default and recovery data from international credit-rating agencies and are adjusted for forward-looking information that is available without undue cost or effort.

Movement in the loss allowance for impairment of trade receivables

	2019	2018
	HK$'000	*HK$'000*
At beginning of the year	**5,161**	16,339
Effect of adoption of HKFRS 9	**9,024**	–
	14,185	16,339
Impairment losses recognised	**5,294**	921
Amount written-off as uncollectible	**(921)**	(3,214)
Recovery of bad debts	**–**	(8,885)
At end of the year	**18,558**	5,161

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019	2018
	HK$'000	*HK$'000*
Financial assets at FVTPL		
Listed equity instrument	**114,376**	–

As of 31 March 2019, the Group held 401,320,000 shares in China Shandong Hi-Speed Financial Group Limited (Stock code: 412) as financial assets designated at FVTPL.

16. TRADE PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Margin and other deposits payable to clients arising from commodities, futures and securities brokerage	**7,971**	–
Trade payables to brokers and clearing houses arising from commodities, futures and securities brokerage	**116**	–
Trade payables arising from construction machinery and sales of construction materials	**5,922**	21,980
	14,009	21,980

The settlement terms of payable to brokers, clearing houses and securities trading clients from the ordinary course of business of brokerage in securities range from two to three days after the trade date of those transactions. Margin and other deposits received from clients for their trading of commodities and futures contracts were payable on demand.

Trade payables arising from construction machinery and sales of construction materials business comprise amounts outstanding for trade purchases. The normal credit period taken for trade purchases is 0–45 days.

An ageing analysis of the Group's trade payables arising from construction machinery and sale of construction materials business at the end of the reporting period presented based on the invoice date is as follows:

	2019	2018
	HK$'000	*HK$'000*
0–30 days	**1,581**	17,183
31–60 days	**1,724**	2,691
61–180 days	**2,058**	1,963
181–365 days	**151**	–
Over 365 days	**408**	143
	5,922	21,980

17. SHARE CAPITAL

	Number of shares	**Amount**
	Thousand shares	*HK$'000*
Authorised:		
Ordinary shares of HK$0.01 each		
At 1 April 2017	1,560,000	15,600
Increase in authorised share capital on 30 August 2017	18,440,000	184,400
At 31 March 2018, 1 April 2018 and 31 March 2019	20,000,000	200,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 1 April 2017	1,000,000	10,000
Issue of shares by placing	200,000	2,000
Issue of shares by bonus issue	1,200,000	12,000
At 31 March 2018 and 1 April 2018	2,400,000	24,000
Issue of shares by right issue on 25 June 2018 *(Note (a))*	1,200,000	12,000
Issue of shares on 17 December 2018 *(Note (b))*	550,000	5,500
At 31 March 2019	**4,150,000**	**41,500**

Note (a): On 25 June 2018, the Company proposed a 1-for-2 rights issue. The rights issue was completed on 2 August 2018 and 1,200,000,000 shares were issued for a total cash consideration (before expenses) of HK$180,000,000. HK$899,000 professional fee was incurred as direct attribute cost.

Note (b): On 17 December 2018, the Company proposed to issue 550,000,000 shares for the settlement of the acquisition of 4.05% interests in China Shandong Hi-Speed Financial Group Limited. The issuance of shares was completed on 15 February 2019 and 550,000,000 shares were issued.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

The economic environment worldwide and the local economy in Hong Kong are full of uncertainties and challenges. Whilst various infrastructure projects have been approved and have commenced, the approval of new and subsequent public funding has been much slower as compared to previous years. Such delays in funding approvals have caused projects to lag behind their original schedules causing contractors to be more cautious when making investment decisions on construction machinery. Nevertheless, the Board believes that the demand for construction machinery will grow in the coming years after the launch of major projects such as the Three-runway system at Chek Lap Kok Airport, Tseung Kwan O — Lam Tin Tunnel, Central Kowloon Route, Kai Tak Development etc. Thus, the Group has focused on upgrading the rental fleet by bringing in brand new and environmentally friendly equipment, which has ensured the continuous provision of high quality, reliable and safe equipment to the construction market. Meanwhile, upon completion of the HTIFH Acquisition (details of which are set out in the paragraph headed "Acquisition of Hao Tian International Financial Holdings" of this announcement) in December 2018, the Group has completed a corporate restructuring and acquired a new line of business in the financial services. The Board believes diversification of business would broaden the source of income and will potentially increase the Group's revenue and enhance the Group's financial performance.

BUSINESS REVIEW

The Group was principally engaged in the construction machinery business, serving primarily the construction sector in Hong Kong and financial services. The Group's principal activities included (i) rental of construction machinery, such as crawler cranes, aerial platforms and foundation equipment, and provision of repair and maintenance service; (ii) trading of new or used construction machinery, spare parts and construction materials; (iii) provision of machinery transportation services; and (iv) provision of commodities, futures, securities and financial services and related advisory services.

Rental of construction machinery and provision of repair and maintenance services

The Group offered crawler cranes of different sizes, other mobile cranes, aerial platforms and foundation equipment in its rental fleet. For crawler cranes, the mix in the rental fleet ranged from 2.9-tonne mini crawler cranes to 750-tonne massive crawler cranes. The Group sourced these construction machinery mainly through the manufacturers of construction machinery located in developed countries in Western Europe and Northern Asia as well as traders of used construction machinery around the world.

The Group has maintained over 200 units of construction machinery in the rental fleet during the Year. Details of the construction machinery carried by the Group which were available for the rental operations are summarised as follows:

	As at 31 March	
	2019	2018
	Number in fleet	*Number in fleet*
Crawler cranes and other mobile cranes	**102**	92
Aerial platforms	**85**	84
Foundation equipment	**37**	43
	224	219

In order to maintain a modern fleet of construction machinery with a greater variety of models, the Group has been replacing portions of its fleet of construction machinery from time to time. The Board will continue to monitor the daily operations and review the expansion plan of the rental fleet and the capital requirements of the Group regularly. The Group may reschedule such expansion plan according to the operation and needs, the preference of the target customers and prevailing market conditions if necessary. The Group may also revise the timing and financing arrangements for the purchase of additional, and replacement of, existing construction machinery if the market condition changes or other factors deemed necessary.

Trading of construction machinery, spare parts and construction materials

The Group was also engaged in the trading of new construction machinery, spare parts and construction materials as well as used construction machinery. To accommodate the needs of different customers, the Group offered a wide range of construction machinery including crawler cranes with lifting capacity of up to 750 tonnes, aerial platforms and foundation equipment. The Group entered into several dealership arrangements with construction machinery manufacturers in Europe, Japan and Korea. To satisfy customers' needs, the Group also sold spare parts to customers for maintenance purposes or upon request.

Transportation services

The transportation services included local container delivery, construction site delivery and heavy machinery transport. According to customers' requests, the Group arranged and provided these services with various transportation vehicles and equipment including 44-tonne heavy load trucks, 8-tonne to 25-tonne crane lorries, 20-feet to 40-feet trailers, and under 38-tonne trucks.

Provision of commodities, futures, securities and financial services and related advisory services

Upon completion of HTIFH Acquisition, the Group holds (i) SFC licences for conducting type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities; (ii) membership of the Hong Kong Confederation of Insurance Brokers (HKCIB) authorised to offer general insurance and long-term (including linked long-term) insurance; and (iii) a money lender licence, which allows the Group to provide a wide range of financial services. The Group believes that with the regional advantages of Hong Kong as an international financial center, the provision of financial services will bring many business opportunities and long-term stable income and steady growth to the Group.

FINANCIAL REVIEW

Revenue

The total revenue increased by approximately HK$10.6 million, or 6.4%, from approximately HK$165.9 million for the Previous Year to approximately HK$176.5 million for the Year. Such increase was mainly attributable to the provision of commodities, futures, securities and financial services upon completion of the HTIFH Acquisition on 13 December 2018.

Rental of construction machinery and provision of repair and maintenance services

The revenue from rental of construction machinery decreased by approximately HK$11.8 million, or 10.0%, from approximately HK$117.9 million for the Previous Year to approximately HK$106.1 million for the Year. The decrease was mainly due to the delay in the commencement of several public projects and public related projects.

Trading of construction machinery, spare parts and construction materials

The revenue from trading of construction machinery, spare parts and construction materials increased by approximately HK$8.0 million, or 17.1%, from approximately HK$46.8 million for the Previous Year to approximately HK$54.8 million for the Year. The increase was mainly due to the increased demand for replacement with brand new and environmentally friendly construction machinery.

Transportation services

The revenue from provision of transportation services increased by approximately HK$0.3 million, or 25.0%, from approximately HK$1.2 million for the Previous Year to approximately HK$1.5 million for the Year.

Commodities, futures, securities and financial services

After completion of the HTIFH Acquisition completed on 13 December 2018, the provision of commodities, futures, securities and financial services contributed HK$14.1 million for the Year.

GROSS PROFIT AND GROSS PROFIT MARGIN

The gross profit increased by approximately HK$14.2 million, or 105.2%, from approximately HK$13.5 million for the Previous Year to approximately HK$27.7 million for the Year, whereas the gross profit margin increased from approximately 8.1% for the Previous Year to approximately 15.7% for the Year. The increase in gross profit and gross profit margin was mainly due to gross profit generated from provision of money lending services.

Rental of construction machinery and provision of repair and maintenance services

The gross profit of construction machinery rental services increased by approximately HK$6.2 million, or 105.1%, from approximately HK$5.9 million for the Previous Year to approximately HK$12.1 million for the Year. In addition, the gross profit margin of construction machinery rental services increased from approximately 5.0% for the Previous Year to approximately 11.4% for the Year. The increase in gross profit margin of construction machinery rental services was mainly due to the decrease in sub-contracting fee, removal fee and truck costs.

Trading of construction machinery, spare parts and construction materials

The gross profit of the trading of construction machinery, spare parts and construction materials decreased by approximately HK$6.2 million, or 82.7%, from approximately HK$7.5 million for the Previous Year to approximately HK$1.3 million for the Year. In addition, the gross profit margin of the trading of construction machinery and parts decreased from approximately 15.9% for the Previous Year to approximately 2.3% for the Year. The decrease in gross profit margin for trading of construction machinery and parts was mainly due to the decrease in trading of used machinery, which normally has a higher gross profit margin than trading of new machinery.

Provision of commodities, futures, securities and financial services and related advisory services

The gross profit of financial services was approximately HK$14.1 million during the Year. This is a new business segment acquired by the Group in December 2018.

OTHER INCOME OTHER GAINS AND LOSSES

The other income and gains increased by approximately HK$12.7 million, or 104.1%, from approximately HK$12.2 million for the Previous Year to approximately HK$24.9 million for the Year. The increase in other income and gains was mainly attributable to the increase in fair value of financial assets at fair value through profit or loss of approximately HK$17.9 million for the Year.

ADMINISTRATIVE EXPENSES

The administrative expenses increased by approximately HK$11.4 million, or 33.6%, from approximately HK$33.9 million for the Previous Year to approximately HK$45.3 million for the Year. The increase in administrative expenses was mainly due to the increase in the professional fees incurred for the HTIFH Acquisition and the administrative expenses incurred in the commodities, futures, securities and financial services segment.

FINANCE COSTS

The finance costs increased by approximately HK$0.2 million, or 2.6%, from approximately HK$7.6 million for the Previous Year to approximately HK$7.8 million for the Year.

NET LOSS

The Group's net loss for the Year was approximately HK$6.5 million (2018: approximately HK$12.5 million) and the net loss margin was approximately 3.7% (2018: approximately 7.6%).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group had a solid financial position and continued to maintain a strong and steady cash flow from operating activities. During the Year, the Group's primary sources of funding included proceeds from the rights issue of the ordinary shares in the Company (the "**Shares**"), cash generated from operating activities and the credit facilities provided by the Group's principal banks in Hong Kong.

As at 31 March 2019, the Group had bank balances and cash and pledged bank deposits of approximately HK$129.5 million (2018: approximately HK$119.7 million) and approximately HK$4.7 million (2018: approximately HK$4.6 million) respectively.

As at 31 March 2019, the Group had total assets of approximately HK$1,080.3 million (2018: approximately HK$634.3 million), net current assets of approximately HK$362.1 million (2018: approximately HK$76.1 million) and net assets of approximately HK$766.8 million (2018: approximately HK$353.0 million).

As at 31 March 2019, the Group's current assets and current liabilities were approximately HK$574.0 million (2018: approximately HK$229.0 million) and approximately HK$211.9 million (2018: approximately HK$152.9 million) respectively. The Group's current ratio increased to approximately 2.7 times as at 31 March 2019 (2018: approximately 1.5 times).

The Management believes that the Group's current bank balances and cash, together with the credit facilities available and the expected cash flow from operations, will be sufficient to satisfy its current operational requirements.

GEARING RATIO AND INDEBTEDNESS

Gearing ratio is calculated by dividing total debts (including borrowings, obligations under finance leases, loan from a director, amounts due to related companies and a director) with total equity and it was approximately 32.9% as at 31 March 2019 (2018: approximately 61.8%). The decrease was mainly due to the issue of the Shares pursuant to the Rights Issue during the Year.

As at 31 March 2019, the borrowings, obligations under finance leases, loan from a director, amounts due to related companies and a director amounted to approximately HK$252.4 million (2018: approximately HK$218.0 million) of which approximately HK$179.0 million were repayable on demand or within one year, approximately HK$60.0 million were repayable in the second year; approximately HK$13.4 million were repayable in the third to fifth year from the end of the reporting period.

CHARGES ON THE GROUP'S ASSETS

As at 31 March 2019, the Group's borrowings and obligations under finance leases are secured by (1) leasehold land and building with net carrying amount of approximately HK$0.6 million (2018: approximately HK$0.6 million); (2) bank deposits of approximately HK$4.7 million (2018: approximately HK$4.6 million) and (3) machinery and motor vehicles with net carrying amount of approximately HK$148.4 million (2018: approximately HK$154.4 million).

CAPITAL EXPENDITURE

The total capital expenditure incurred for the Year was approximately HK$67.5 million (2018: approximately HK$66.8 million), which was mainly used in the purchase of machinery for the rental business.

INTEREST RATE RISK

The Group's pledged bank deposits and finance lease receivables bore fixed interest rates. The Group's cash at bank balances bore floating interest rates. The Group also had borrowings, obligations under finance leases and loan from a director which bear interests at fixed and floating interest rates. Exposure to interest rate risk existed on those balances subject to floating interest rate when there are unexpected adverse interest rate movements. The Group's policy was to manage its interest rate risk, working within an agreed framework, to ensure that there were no undue exposures to significant interest rate movements and rates are approximately fixed when necessary.

CURRENCY RISK

The Group mainly operated in Hong Kong with most of the transactions denominated and settled in Hong Kong Dollars, Japanese Yen ("**JPY**") and Euro ("**EURO**"). The Group's exposure to foreign currency risk primarily arose from certain financial instruments including trade receivables, bank balances and cash, trade payables, borrowings and obligation under finance leases which were denominated in JPY, EURO, and United States Dollars. The Group did not adopt any hedging strategy in the long run but the management continuously monitored the foreign exchange risk exposure and might enter into foreign exchange forward contracts on a case-by-case basis. The Group has not used any hedging contracts to engage in speculative activities.

CREDIT RISK AND LIQUIDITY RISK

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

CAPITAL COMMITMENTS

The capital commitments consisted primarily of acquisition of subsidiaries and purchase of construction machinery for rental purpose. As at 31 March 2019, the capital commitments contracted but not provided for amounted to approximately HK$19.3 million (2018: approximately HK$50 million cash and 125 million Shares be issued by the Company).

CONTINGENT LIABILITIES

As at 31 March 2019, the Group provided performance guarantees amounting to approximately HK$10.2 million (2018: corporate guarantees and performance guarantee amounting to approximately HK$0.3 million and approximately HK$11.2 million respectively) to the banks in respect of obligations under finance leases and the Group's obligations under contracts with certain third party customers. Under the guarantees, the Group would be liable to make payments to the banks if the banks were unable to recover the amounts under these finance leases from the third party customers or the Group failed to perform the relevant obligations to these customers. As at 31 March 2019 and 2018, no provision for the Group's obligations under the guarantee contracts has been made as the Directors of the Company considered that it was not probable that the repayment of the finance lease obligations would be in default, and it was therefore not probable that a claim will be made against the Group.

EVENTS AFTER THE REPORTING PERIOD

On 29 April 2019, the Company completed the disposal of a property holding company, which hold a parcel of land situated in Tai Tong, Yuen Long, Hong Kong for an aggregate cash consideration of HK$100,000,000 (the "**Disposal**"). It is expected that the Group will record a net book gain of approximately HK$31,121,000 from the Disposal. The actual amount of gain or loss as a result of the Disposal to be recorded by the Company will be subject to the review and final audit by the auditors of the Company.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2019, the Group had 140 staff (2018: 128). The total staff costs incurred by the Group for the Year were approximately HK$58.9 million (2018: approximately HK$60.5 million).

The Group generally recruited its employees from the open market or by referral and entered into service contracts with its employees. The Group offered attractive remuneration packages to the employees. In addition to salaries, the employees would be entitled to bonuses taking into account to the performance of the Company and the relevant employees. The Group provided a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for the eligible employees.

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

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

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

PROPOSED FINAL DIVIDEND

The Board does not recommend the payment of final dividend to shareholders of the Company ("**Shareholders**") for the Year.

EQUITY FUND RAISING ACTIVITY IN THE PAST TWO YEARS

The Group carried out a number of equity fund raising activities in the past two years. The details of equity fund raising activities and the actual use of proceeds are as follows:

Date of announcement	Events	Approximate net proceeds	Intended use of net proceeds	Actual use of proceeds as at the date of this announcement
10 May 2017	Placing (the "**Placing**") of 200,000,000 new Shares with an aggregate nominal value of HK$2,000,000 by the Company to no less than six placees who were professional, institutional or other investors who and whose ultimate beneficial owners were independent of and not connected with the Company, the connected persons of the Company and their respective associates, at the placing price of HK$0.62 per placing Share (and net issue price being HK$0.605 per placing Share). The closing price of the Shares on 10 May 2017 was HK$0.66.	Approximately HK$121.4 million	The net proceeds of the Placing was previously intended to be used in real estate development and investment properties and expansion opportunities in respect of the rental of construction machinery business in the People's Republic of China (the "**PRC**"), Singapore, Vietnam and the United Kingdom by the Company; and for the general working capital of the Company. In view of recent changes in business development strategies and investment opportunities, the Company changed the intended use of proceeds to satisfy part of the cash consideration payable under the HTIFH Acquisition (details of which are set out in the paragraph headed "Acquisition of Hao Tian International Financial Holdings" of this announcement).	The net proceeds of approximately HK$121.4 million has been utilised. Of this, approximately HK$12.2 million was utilised as intended for general working capital purposes and approximately HK$109.2 million was utilised in respect of the HTIFH Acquisition.
25 June 2018	On 25 June 2018, the Company proposed a 1-for-2 rights issues (the "**Rights Issue**") to raise proceeds pf approximately HK$180 million. For details of the Rights Issue, please refer to the paragraph headed "RIGHTS ISSUE" in this announcement.	Approximately HK$178 million	The net proceeds from the Rights Issue was intended to be used in the following manner: (i) approximately HK$142.4 million (representing 80% of the estimated net proceeds from the Rights Issue) will be applied for money lending business or relevant acquisition(s); (ii) approximately HK$17.8 million (representing 10% of the estimated net proceeds from the Rights Issue) will be applied for financial services and securities business; and (iii) the remaining proceeds (representing 10% of the estimated net proceeds from the Rights Issue) will be applied for general working capital.	Of the net proceeds of approximately HK$178 million, approximately HK$160.2 million has been utilised. Of this, approximately HK$17.8 million was utilised as intended for general working capital purpose and approximately HK$142.4 million was utilised for money lending business. As of the date of this announcement, approximately HK$17.8 million of the proceeds has not yet been utilised.

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENTS

Acquisition of Hao Tian International Financial Holdings

On 28 March 2018, Hao Tian Development Group Limited ("**Hao Tian Development**"), which is the indirect controlling shareholder of the Company, as seller, and Solution Pro Investments Limited ("**Solution Pro**"), which is an indirect wholly-owned subsidiary of the Company, as buyer, entered into an agreement for the acquisition (the "**HTIFH Acquisition**") of the entire issued shares of Hao Tian International Financial Holdings Limited ("**Hao Tian International Financial Holdings**" or "**HTIFH**"). HTIFH holds several subsidiaries engaged in providing financial services including Securities and Futures Commission ("**SFC**") regulated activities, insurance agency service and money lending. The HTIFH Acquisition constitutes a major and connected transaction of the Company under the Listing Rules.

On 25 June 2018, the parties entered into a supplemental agreement to amend certain payment terms of the HTIFH Acquisition. Originally, a portion of the HTIFH Acquisition consideration of HK$50 million shall be settled by issue of Shares to Hao Tian Development. Pursuant to the supplemental agreement, if the Company would not be able to meet the public float requirement under Rule 8.08(1)(a) of the Listing Rules following issue of its Shares to Hao Tian Development under the HTIFH Acquisition, the Company shall issue such a lower number of Shares to the extent required to meet the public float requirement and the shortfall shall be satisfied by way of cash.

On 24 July 2018, the parties entered into a second supplemental agreement, pursuant to which (i) the HTIFH Acquisition consideration shall be reduced from HK$200 million to HK$180 million and shall be wholly satisfied by cash; and (ii) the HTIFH Acquisition shall be subject to an additional condition precedent that the indebtedness between Hao Tian Development and HTIFH shall first be offset against each other and the remaining indebtedness owed by HTIFH to Hao Tian Development shall be irrevocably waived and discharged. The HTIFH Acquisition has been completed on 13 December 2018. Upon completion of the HTIFH Acquisition, HTIFH became an indirect wholly-owned subsidiary of the Company, and the financial results, assets and liabilities of HTIFH and its subsidiaries have been consolidated into the consolidated financial statements of the Group.

For details of the HTIFH Acquisition, please refer to the announcements of the Company dated 28 March 2018, 25 June 2018, 24 July 2018 and 13 December 2018 and the circular of the Company dated 10 August 2018.

Acquisition of machinery and HK$30 million financial assistance from Mr. Tang

On 14 May 2018, K B Machinery Co. Limited ("**KBM**"), an indirectly wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the "**KWMT SPA**") with Kai Wing Machinery Trading Co. Ltd ("**KWMT**"), pursuant to which KWMT agreed to sell, and KBM agreed to purchase, a used 750-ton crawler crane (the "**Machinery**") made in 2013 with Germany being the country of origin at a total consideration of approximately HK$39.4 million (the "**KWMT Consideration**"). The KWMT Consideration would be funded (i) partly by the internal resources of the Group and (ii) partly by the advance from a loan agreement dated 14 May 2018 entered into between Mr. Tang Yiu Chi, James ("**Mr. Tang**") and KBM for a principal amount not exceeding HK$30,000,000 (the "**KBM Loan Agreement**").

The Machinery is intended to be used for the Company's cooperation with a renowned construction machinery provider in the PRC in which a monthly rental income is expected for a substantial period. With the surging demand for large-sized cranes, the acquisition of the Machinery will (i) build up the brand name and image of the Company and position the Company on a higher level of regard in the construction market; and (ii) open up more opportunities of cooperation in the upcoming projects in Asia. In addition, the Company expects that the acquisition of the Machinery will enable the Group to attract more customers, potentially leading to higher revenue and profit margins.

The KBM Loan Agreement constituted financial assistance provided by Mr. Tang and was not secured by any assets of the Company. The interest rate was 2% per annum and the final repayment date shall be 24 months after the relevant drawdown date or such other date as mutually agreed by Mr. Tang and KBM. Mr. Tang is an executive Director and is thus a connected person of the Company under the Listing Rules. The KBM Loan Agreement constitutes a connected transaction which is fully exempted from announcement, reporting and independent shareholders' approval requirement pursuant to Rule 14A.90 of the Listing Rules.

For details of the acquisition of machinery and the KBM Loan Agreement, please refer to the announcement of the Company dated 14 May 2018.

Subscription of participating redeemable shares in Riverwood China Growth Fund

On 5 March 2019, Glory Century Limited, an indirect wholly-owned subsidiary of the Company, placed an order with Millennium Fund Services (Asia) Limited (as administrator), pursuant to which Glory Century Limited shall subscribe for 319,325.73 participating redeemable shares in Riverwood China Growth Fund in the subscription amount of approximately US$20,000,000, which was satisfied by way of transferring 588,680,000 shares in China Shandong Hi-Speed Financial Group Limited ("**CSFG**") to the Fund. The transaction constituted a discloseable transaction of the Company under the Listing Rules. Completion of the subscription took place on 6 March 2019 where upon 588,680,000 shares in CSFG were transferred to the Fund. For details of the transaction, please refer to the announcement of the Company dated 5 March 2019.

RIGHTS ISSUE

On 25 June 2018, the Company proposed the Rights Issue to raise gross proceeds of approximately HK$180 million. Under the Rights Issue, a total of 1,200,000,000 new Shares of the Company (the "**Rights Share(s)**") will be issued and allotted. Hao Tian Management (China) Limited ("**HTM China**"), a wholly-owned subsidiary of the Hao Tian Development and the controlling shareholder of the Company, entered into (1) an irrevocable undertaking to take up 750,000,000 Rights Shares, representing its provisional allotment under the Rights Issue; and (2) an underwriting agreement (the "**Underwriting Agreement**") to take up a maximum of additional 450,000,000 Rights Shares if any of the qualifying shareholders of the Company (other than HTM China) did not subscribe for the Rights Shares under the Rights Issue.

As the Rights Issue will not increase the issued share capital of the Company nor the market capitalisation of the Company by more than 50%, the Rights Issue is not required to be conditional on approval by the shareholders of the Company under Rule 7.09(6) of the Listing Rules.

HTM China is the controlling shareholder of the Company and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Underwriting Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Pursuant to the Listing Rules, the taking up of entitlement to the Rights Issue by HTM China as a qualifying shareholder and subscription for the Rights Shares in excess of its entitlement under the Rights Issue (if applicable) are exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to the Listing Rules, the underwriting of the Rights Issue by HTM China as the underwriter contemplated under the Underwriting Agreement is exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules provided that there is an arrangement for the qualifying shareholders to apply for the excess Rights Shares in compliance with Rule 7.21(1) of the Listing Rules.

On 2 August 2018, all conditions precedent to the Underwriting Agreement were fulfilled and the Rights Issue was completed. The gross proceeds raised from the Rights Issue are approximately HK$180,000,000 before expenses. Immediately following the completion of the Rights Issue, the total number of the Company's Shares in issue was enlarged from 2,400,000,000 to 3,600,000,000 and HTM China's interests in the Company increased from 62.5% to 64.79% after taking up the Rights Shares under its provisional allotment in accordance with the irrevocable undertaking and the Underwriting Agreement.

For details, please refer to the announcements of the Company dated 25 June 2018, 5 July 2018, and 8 August 2018 and the prospectus for the Rights Issue dated 17 July 2018, respectively.

SIGNIFICANT LITIGATION

In 2012, a customer commenced legal proceedings against Chim Kee Machinery Co., Ltd. ("**CKM**"), a subsidiary of the Company, for alleged breach of a rental contract. The customer claimed for overall damages of more than HK$100 million while the disputed sum claimed by CKM against the customer was approximately HK$17.5 million together with other unascertained damages. CKM obtained a judgment in favour of CKM handed down by the Court of Final Appeal in July 2017 and the customer was ordered to settle the unpaid hire of HK$8.9 million plus interest and part of the costs of the legal proceedings. As of the date of this announcement, CKM has received an aggregate amount of HK$14.4 million representing the unpaid hire rental plus interest of HK$12.0 million and part of the costs of the legal proceedings of HK$2.4 million.

During the Year, CKM also settled another claim for loss and damage of more than HK$27 million with the same customer. The customer discontinued its claims and paid the costs incurred by CKM in the amount of HK$150,000.

Save as disclosed above, no member of the Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

PROSPECTS

The Group remains confident about its existing businesses in Hong Kong including rental of construction machinery, trading of construction machinery, spare parts and construction materials, and provision of machinery transportation services. In addition, the Group intends to explore prospective expansion opportunities in respect of the rental of construction machinery business in the PRC, Singapore, Vietnam and the United Kingdom. For the financial services business, the Group is committed to providing professional and quality financial services to its customers, actively exploring the markets in Hong Kong and China, and integrating the economic development trends and strategic deployments of the Guangdong-Hong Kong-Macao Greater Bay Area ("**Greater Bay Area**") to achieve diversified business development.

It is our intention to increase our presence in the financial market in Hong Kong and Mainland China by either organic growth or working with reputable partners.

We started the first fund with Riverwood Asset Management (Cayman) Limited with a total assets under management ("**AUM**") of USD40,000,000 during the year. It combined the strength of Atlantis Investment Management Limited and the Company to tap the opportunities arising from the new support policies for The Greater Bay Area announced on 18 Feb. 2019. We have confidence to grow the AUM further to USD100,000,000 in FY2020, in which the fee income will contribute to our asset management business in FY2020. In the future, we will set up different kind of funds in different asset class ranging from equities, fixed income, initial public offering, property and project financing, etc. We strive for the success of our client's investments by creating tailored-made solutions for clients through our expertise of investment capabilities.

The Group will also set up a new business in FY2020, that is, a family office business, to serve wealthy families, mainly from Mainland China. We see a strong demand to have offshore asset allocation to HKD or USD assets. This will create market opportunities for our new business to serve high net worth wealthy families.

During the Year, we acquired 35% of an asset management fund capitalizing on economic development and resources in Yan'an, the PRC with objectives to promote innovative industrial integrations and provide high quality investment services to the country (the "**Yanan Asset Fund**"). Yanan Asset Fund is a state-level development fund approved by the National Development and Reform Commission, which mainly invests in establishing sub-funds for projects in relation to energy and chemical engineering, clean energy, construction of infrastructure, green energy, patriotic tourism and industrial poverty alleviation projects in Yan'an. In FY2020, we will work with local partners in Yan'an, Shaanxi Province of PRC, to develop the private equity businesses.

We will continue to look for merger and acquisition opportunities in Hong Kong, mainland China and South East Asia that may strengthen our position in the area of financial services. We are also preparing an innovative fin-tech platform that will better serve our customers in a more efficient way.

We are excited what will happen in FY2020 and will work diligently with the team to create value for shareholders.

In view of the above, there are positive prospects for the Group and it is expected that the business and revenue will continue to grow steadily in the foreseeable future.

ANNUAL GENERAL MEETING

The notice of the 2019 annual general meeting of the Company will be published on the Company's website and despatched to the Shareholders in the manner required by the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange in due course.

CORPORATE GOVERNANCE PRACTICES

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

The Company has fully complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules, except for the deviations from the CG Code as described below.

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

(ii) The Nomination Committee was chaired by an executive Director instead of an independent non-executive Director because the Board considered that an executive Director involved in the daily operations of the Company may be in a better position to review the composition of the Board so as to complement the Group's corporate strategy.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 of the Listing Rules as the code of conduct of the Company regarding Directors' transactions of the listed securities of the Company. The Company has made specific enquiry to all Directors, and all Directors have confirmed that they had complied with the Model Code and its code of conduct during the Year.

The Group commits to continuously improve its corporate governance practices by periodic review to ensure that the Group continues to meet the requirements of the CG Code.

AUDIT COMMITTEE

The Company has established the Audit Committee on 23 October 2015 with written terms of reference in compliance with paragraphs C.3 of the CG Code. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control system of our Group. The Audit Committee comprises three members, namely Mr. Lee Chi Hwa Joshua, Mr. Mak Yiu Tong, and Mr. Li Chi Keung Eliot. Mr. Lee Chi Hwa Joshua is the chairman of the Audit Committee.

The Audit Committee has reviewed with the Management and the Group's auditor, BDO Limited, the accounting principles and policies adopted by the Group, and discussed the financial information of the Group and this announcement of the Company for the Year.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit of loss and comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this announcement.

PUBLICATION OF THIS ANNOUNCEMENT AND ANNUAL REPORT

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

APPRECIATION

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

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

Hong Kong, 10 June 2019

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Fok Chi Tak, Mr. Tang Yiu Chi James and Dr. Zhiliang Ou, J.P., (Australia) and three independent non-executive Directors, namely Mr. Lee Chi Hwa Joshua, Mr. Mak Yiu Tong and Mr. Li Chi Keung Eliot.