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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

The board (the "**Board**") of directors (the "**Directors**") of Hao Tian International Construction Investment Group Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 September 2019 (the "**Period**") together with the unaudited comparative figures for the six months ended 30 September 2018 (the "**Previous Period**").

FINANCIAL HIGHLIGHTS

- Revenue was approximately HK$73.6 million for the six months ended 30 September 2019, representing a decrease of approximately 7.2% as compared with the same for the six months ended 30 September 2018.
- Gross profit margin increased from approximately 9.4% for the six months ended 30 September 2018 to approximately 25.7% for the six months ended 30 September 2019.
- Loss attributable to the owners of the Company increased from approximately HK$4.7 million for the six months ended 30 September 2018 to approximately HK$7.0 million for the six months ended 30 September 2019.
- Basic loss per Share remained at approximately HK0.17 cents for the six months ended 30 September 2018 and 2019.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2019.
- As at 30 September 2019, the Group's bank balances, cash and pledged bank deposits were approximately HK$150.3 million (31 March 2019: HK$134.2 million) and the Group had borrowings, obligation under finance leases and loan from a director in total of approximately HK$233.3 million (31 March 2019: HK$235.7 million).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 September 2019

	Notes	**Six months ended 30 September** **2019** ***HK$'000*** **(Unaudited)**	2018 *HK$'000* (Unaudited)
Revenue	*5*	**73,598**	79,325
Cost of revenue		**(54,676)**	(71,846)
Gross profit		**18,922**	7,479
Other income, other gains and losses	*6*	**20,278**	8,250
Administrative expenses		**(28,205)**	(16,188)
Expected credit loss on financial assets		**(17,763)**	–
Share of result of joint ventures		**(579)**	–
Finance costs	*7*	**(4,329)**	(3,975)
Loss before taxation	*8*	**(11,676)**	(4,434)
Income tax credit/(expense)	*9*	**4,624**	(220)
Loss for the period		**(7,052)**	(4,654)
Other comprehensive expense:			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operation		**(60)**	–
Total comprehensive expense for the period		**(7,112)**	(4,654)
Loss for the period attributable to:			
Owners of the Company		**(7,049)**	(4,652)
Non-controlling interests		**(3)**	(2)
		(7,052)	(4,654)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(7,109)**	(4,652)
Non-controlling interests		**(3)**	(2)
		(7,112)	(4,654)
Loss per share (HK cents)			
Basic	*11*	**(0.17)**	(0.17)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2019

	Notes	As at 30 September 2019 HK$'000 (Unaudited)	As at 31 March 2019 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	12	**250,605**	243,860
Right-of-use assets	13	**616**	–
Intangible assets		**15,217**	16,419
Goodwill		**46,417**	46,417
Finance lease receivables	17	**3,305**	6,901
Loan receivables	18	**31,953**	16,046
Deferred tax assets	25	**8,690**	3,913
Pledged bank deposits	19	**5,000**	4,654
Deposits for acquisition of property, plant and equipment	16	**407**	2,719
Interest in joint ventures		**164,712**	165,387
		526,922	506,316
Current assets			
Inventories	14	**88,978**	1,716
Trade receivables	15	**93,538**	82,158
Other receivables, deposits and prepayments	16	**8,881**	4,500
Finance lease receivables	17	**8,484**	7,104
Loan receivables	18	**162,697**	147,259
Amounts due from fellow subsidiaries	22	**4,908**	11,283
Tax recoverable		**707**	707
Financial assets at fair value through profit or loss		**101,156**	114,376
Bank balance, trust and segregated accounts		**6,847**	7,266
Bank balances and cash	19	**145,305**	129,543
		621,501	505,912
Assets classified as held for sale		**–**	68,086
Total current assets		**621,501**	573,998

	Notes	As at 30 September 2019 HK$'000 (Unaudited)	As at 31 March 2019 HK$'000 (Audited)
Current liabilities			
Trade payables	*20*	**13,078**	14,009
Accruals, deposits received and other payables	*21*	**7,374**	17,613
Contract liabilities		**1,438**	628
Amount due to a director	*22*	**12,345**	7,434
Amounts due to fellow subsidiaries	*22*	**4,209**	5,034
Amount due to an intermediate holding company	*22*	**5**	4,290
Borrowings	*23*	**136,185**	118,117
Obligation under finance leases	*24*	**4,564**	4,153
Loan from a director	*22*	**30,000**	40,000
Lease liabilities	*13*	**615**	–
Tax payable		**2,072**	614
		211,885	211,892
Liabilities directly associated with assets classified as held for sales		**–**	40
Total current liabilities		**211,885**	211,932
Net current assets		**409,616**	362,066
Total assets less current liabilities		**936,538**	868,382
Non-current liabilities			
Borrowings	*23*	**56,793**	37,681
Obligation under finance leases	*24*	**5,750**	5,704
Loan from a director	*22*	**–**	30,000
Lease liabilities	*13*	**8**	–
Deferred tax liabilities	*25*	**26,931**	28,236
		89,482	101,621
Net assets		**847,056**	766,761
Equity			
Share capital	*26*	**44,279**	41,500
Reserves		**802,533**	725,014
Equity attributable to owners of the Company		**846,812**	766,514
Non-controlling interests		**244**	247
Total equity		**847,056**	766,761

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2019

	Attributable to owners of the Company								
	Share capital *HK$'000* *(Note 26)*	**Share premium** *HK$'000*	**Capital reserve** *HK$'000*	**Merger reserve** *HK$'000*	**Exchange reserve** *HK$'000*	**Accumulated profits** *HK$'000*	**Sub-total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total** *HK$'000*
At 1 April 2019 (Audited)	**41,500**	**534,705**	**55,241**	**1,000**	**–**	**134,068**	**766,514**	**247**	**766,761**
Loss and total comprehensive expense for the period	**–**	**–**	**–**	**–**	**(60)**	**(7,049)**	**(7,109)**	**(3)**	**(7,112)**
Issue of consideration shares *(Note 26(c))*	**2,759**	**84,041**	**–**	**–**	**–**	**–**	**86,800**	**–**	**86,800**
Issue of emolument shares *(Note 26(d))*	**20**	**587**	**–**	**–**	**–**	**–**	**607**	**–**	**607**
At 30 September 2019 (Unaudited)	**44,279**	**619,333**	**55,241**	**1,000**	**(60)**	**127,019**	**846,812**	**244**	**847,056**
At 31 March 2018 (Audited)	24,000	169,724	6,291	1,000	–	151,725	352,740	252	352,992
Initial application of HKFRS 9	–	–	–	–	–	(3,970)	(3,970)	–	(3,970)
At 1 April 2018 (Restated)	24,000	169,724	6,291	1,000	–	147,755	348,770	252	349,022
Issue of right shares	12,000	167,101	–	–	–	–	179,101	–	179,101
Loss and total comprehensive expense for the period	–	–	–	–	–	(4,652)	(4,652)	(2)	(4,654)
At 30 September 2018 (Unaudited)	36,000	336,825	6,291	1,000	–	143,103	523,219	250	523,469

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 September 2019

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Net cash (used in)/generated from operating activities	**(67,136)**	33,783
Net cash generated from/(used in) investing activities	**84,661**	(153,923)
Net cash (used in)/generated from financing activities	**(1,763)**	198,591
Net increase in cash and cash equivalents	**15,762**	78,451
Cash and cash equivalents at beginning of the period	**129,543**	119,709
Cash and cash equivalents at end of the period	**145,305**	198,160

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 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 has been changed 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, respectively, and the ultimate controlling shareholder is Ms. Li Shao Yu.

The condensed consolidated financial statements have not been audited.

The condensed consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the functional currency of the Company. All values are rounded to the nearest thousands except when otherwise indicated.

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, futures, securities brokerage and financial services mainly in Hong Kong.

2. BASIS OF PREPARATION AND SIGNIFICANT EVENTS

These condensed consolidated interim financial statements for the Period have been prepared in accordance with applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rule") and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated financial statements should be read in conjunction with the Group's annual financial statement as at 31 March 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRS") issued by the HKICPA.

Application of new and amendments to HKFRSs

In the current period, the Company has adopted all the new and revised International Financial Reporting Standards (the "HKFRSs") issued by the International Accounting Standards Board that are relevant to its operations and effective for its accounting year beginning on 1 April 2019. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards (the "HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group financial statements and amounts reported for the current period and prior years, except for the changes in accounting policies due to the revised HKFRSs and HKASs as described below.

The Group has adopted the following revised HKFRSs and HKASs for the first time for the current period's financial information:

HKFRS 16	Leases
HKFRIC-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

HKFRS 16, "Leases" replaces the previous standards HKAS 17 "Leases" and effective for annual periods beginning on or after 1 January 2019. The Group has applied HKFRS 16 for the first time in the current period.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance costs. The finance costs are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the incremental borrowing rate. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

(i) the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 March 2020;

(ii) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment); and

(iii) when measuring the right-of-use assets at the date of initial application of HKFRS 16, the Group relied on the previous assessment for onerous contract provisions as at 31 March 2019 as an alternative to performing an impairment review.

(a) The following table reconciles the operating lease commitments as lessee as disclosed applying HKAS 17 as at 31 March 2019 to the opening balance for lease liabilities recognised as at 1 April 2019:

	HK$'000 **(Unaudited)**
Operating lease commitments at 31 March 2019	**960**
Less: Commitments relating to leases exempt from capitalisation:	
— Short-term leases and other leases with remaining lease term ending on or before 31 March 2020	**(880)**
	80
Less: Total future interest expenses	**(3)**
Total lease liabilities recognised at 1 April 2019	**77**

The weighted average of the lessees' incremental borrowing rates applied to lease liabilities by the relevant group entities recognised in the condensed consolidated statement of financial position as at 1 April 2019 is 4.56% per annum.

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position at 31 March 2019.

(b) The following table summarised the impact of transition to HKFRS 16 on the unaudited condensed consolidated statement of financial position as of 31 March 2019 to that of 1 April 2019:

	Increase in ***HK$'000***
Condensed consolidated statement of financial position as at 1 April 2019	
Right-of-use assets	**75**
Lease liabilities (non-current)	**46**
Lease liabilities (current)	**31**

(c) The remaining contractual maturities of the Group's lease liabilities at the date of transition of HKFRS 16 are as follows:

	1 April 2019	
	Present value of the minimum lease payments	**Total minimum lease payments**
	HK$'000	*HK$'000*
	(Unaudited)	**(Unaudited)**
Within 1 year	**46**	**48**
After 1 year but within 2 years	**31**	**32**
	77	**80**
Less: Total future interest expenses		**(3)**
Present value of lease liabilities		**77**

After the initial recognition of right-of-use assets and lease liabilities as at 1 April 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liabilities, and the depreciation of the right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the reported profit from operations in the Group's condensed consolidated statement of profit or loss and other comprehensive income, as compared to the results if HKAS 17 had been applied during the period.

In the condensed consolidated statement of cash flows, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element. These elements are classified as financing cash outflows, similar to how leases previously classified as finance leases under HKAS 17 were treated, rather than as operating cash outflows, as was the case for operating leases under HKAS 17. The adoption of HKFRS 16 therefore results in a change in presentation of cash flows within the condensed consolidated statement of cash flows.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

3. USE OF JUDGEMENTS AND ESTIMATES

In preparing this condensed consolidated interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to annual financial statements for the year ended 31 March 2019.

4. 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, futures, securities brokerage and financial services	—	provision of commodities, futures, securities brokerage service and property mortgage loans, machinery loans and personal loans services

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.

Six months ended 30 September 2019 (unaudited)

	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$'000*	Provision of commodities, futures, securities brokerage and financial services *HK$'000*	Total *HK$'000*
Revenue					
From external customers	**2,332**	**53,942**	**101**	**17,223**	**73,598**
Segment loss	**(7,358)**	**(26)**	**(704)**	**(14,312)**	**(22,400)**
Other income, other gains and losses					**20,059**
Corporate expenses					**(7,543)**
Finance costs					**(1,213)**
Share of result of joint ventures					**(579)**
Loss before taxation					**(11,676)**

Six months ended 30 September 2018 (unaudited)

	Trading of construction machinery, spare parts and construction materials *HK$'000*	Rental of construction machinery and provision of repair and maintenance service *HK$'000*	Provision of transportation services *HK$'000*	Total *HK$'000*
Revenue				
From external customers	28,460	50,177	688	79,325
Segment (loss) profit	(2,750)	9,417	(594)	6,073
Other income, other gains and losses				2,134
Corporate expenses				(10,901)
Finance costs				(1,740)
Loss before taxation				(4,434)

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.

Other segment information

Six months ended 30 September 2019 (unaudited)

	Trading of construction machinery, spare parts and construction materials	Rental of construction machinery and provision of repair and maintenance service	Provision of transportation services	Provision of commodities, futures, securities brokerage and financial services	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts (charged) credited in the measure of segment profit or loss:						
Depreciation of right-of-use assets	**(473)**	**–**	**–**	**–**	**–**	**(473)**
Depreciation of property, plant and equipment	**–**	**(19,454)**	**(301)**	**(185)**	**(535)**	**(20,475)**
Gain on disposal and write-off of property, plant and equipment, net	**–**	**–**	**219**	**–**	**–**	**219**
Gain on disposal of a subsidiaries	**–**	**–**	**–**	**–**	**32,168**	**32,168**
Expected credit loss on financial assets	**–**	**(1,410)**	**–**	**(16,353)**	**–**	**(17,763)**
Finance costs	**(171)**	**(2,443)**	**(14)**	**(598)**	**(1,103)**	**(4,329)**

Six months ended 30 September 2018 (unaudited)

	Trading of construction machinery, spare parts and construction materials	Rental of construction machinery and provision of repair and maintenance service	Provision of transportation services	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts (charged) credited in the measure of segment profit or loss:					
Depreciation of property, plant and equipment	–	(16,705)	(353)	–	(17,058)
Reversal of allowance for bad and doubtful debts	–	1,511	–	–	1,511
Finance lease income	754	–	–	–	754
Finance costs	(36)	(2,185)	(14)	–	(2,235)

Geographical information

The Group's revenue from external customers is mainly derived from customers located in Hong Kong and Macau, which is determined based on the location of customers.

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
External revenue:		
Hong Kong	**71,753**	76,510
Macau	**1,845**	2,815
	73,598	79,325

The Group's non-current assets based on the geographical location of the owners of these assets are as follows:

	Non-current assets *(Note)*	
	As at 30 September 2019	As at 31 March 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Hong Kong	**318,262**	314,069

Note: Non-current assets excluded interests in joint ventures, loan receivables, deposit for acquisition of subsidiaries, finance lease receivables and deferred tax assets.

5. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contract with customers:		
Sale of machinery and spare parts	**2,332**	19,863
Sale of rental machinery	**–**	8,597
Transportation service income	**95**	688
Other service income	**3,505**	4,019
Commission income generated from commodities, futures and securities brokerage	**3,110**	–
Revenue from other sources:		
Rental income from leasing of machinery	**50,443**	46,158
Interest income generated from money lending	**14,113**	–
	73,598	79,325

6. OTHER INCOME, OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Other income		
Interest income from bank deposits	**503**	16
Finance lease income	**–**	754
Loan interest income	**–**	2,129
Rental income from leasing a warehouse property and a motor vehicle	**729**	180
Sundry income	**919**	226
	2,151	3,305
Other gains and (losses)		
Net foreign exchange loss	**(403)**	(838)
Net gain on disposal and write-off of property, plant and equipment	**219**	–
Reversal of allowance for bad and doubtful debt and receipt of related interest	**–**	1,511
Compensation received from a customer	**–**	5,229
Impairment loss of loan receivables	**–**	(957)
Gain on disposal of a subsidiary	**32,168**	–
Change in fair value of financial assets at fair value through profit and loss	**(13,857)**	–
	18,127	4,945
	20,278	8,250

7. FINANCE COSTS

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on borrowings	**3,794**	3,167
Finance lease interest	**150**	158
Director's loan interest	**367**	650
Interest on lease liabilities	**18**	–
	4,329	3,975

8. LOSS FOR THE PERIOD

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Auditor's remuneration	**–**	–
Cost of inventories recognised as expenses	**3,821**	24,077
Amortisation of intangible assets	**1,202**	–
Depreciation of property, plant and equipment	**20,475**	18,758
Depreciation of right-of-use assets	**473**	–
Employee costs (including Directors' remuneration)		
— Wages, salaries and other benefits	**33,117**	26,883
— Retirement benefits scheme contributions	**1,032**	898
Minimum lease payment in respect of		
— Land and buildings	**–**	864
— Machinery	**–**	3,368
Short-term lease expenses	**599**	–
Interest on lease liabilities	**18**	–

9. INCOME TAX

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax		
Hong Kong	**1,458**	291
Macau	**–**	8
	1,458	299
Deferred tax credit *(Note 25)*	**(6,082)**	(79)
Income tax (credit)/expense	**(4,624)**	220

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

Macau Complementary Tax is calculated at the maximum progressive rate of 12% with maximum Macau Pataca 600,000 exemption allowance on the estimated assessable profit.

10. DIVIDENDS

No dividend has been paid by the Company during the Period, nor has been proposed since the end of the reporting period.

11. LOSS PER SHARE

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

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the purpose of basic loss per share (loss for the period attributable to the owners of the Company)	**(7,049)**	(4,652)
	'000	*'000*
Number of Shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**4,198,238**	2,793,443

No diluted loss per share were presented as there were no potential ordinary shares in issue for both periods.

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2019, the Group acquired items of property, plant and equipment of HK$27,223,000 (six months ended 30 September 2018: addition of HK$45,072,000).

13. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

The Group leases certain office and warehouse in Hong Kong. Following the adoption of HKFRS 16 by the Company on 1 April 2019, the right-of-use assets and the lease liabilities in respect of the leases were recognised at the date of initial application of HKFRS 16. The movements in right-of- use assets and lease liabilities during the period/year are as follows:

	As at 30 September 2019	As at 31 March 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Right-of-use assets		
At 1 April	**75**	–
Additions	**1,014**	–
Depreciation charged	**(473)**	–
Net carrying amount	**616**	–
By class:		
Office	**52**	–
Warehouse	**564**	–
	616	–

	As at 30 September 2019	As at 31 March 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Lease liabilities		
At 1 April	**77**	–
Additions	**1,127**	–
Interests charged	**18**	–
Rental paid	**(599)**	–
Net carrying amount	**623**	–
Lease liabilities		
— Current portion	**615**	–
— Non-current portion	**8**	–
Net carrying amount	**623**	–

14. INVENTORIES

	As at 30 September 2019	As at 31 March 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Artwork asset	**86,800**	–
Machinery	**389**	389
Spare parts	**1,789**	1,327
	88,978	1,716

15. TRADE RECEIVABLES

	As at 30 September 2019	As at 31 March 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables from clients arising from		
— Rental income from construction machinery business	**45,930**	45,963
— Trading and provision of other service from construction machinery	**20**	622
Margin and other trade related deposits with brokers and financial institutions arising from		
— Securities brokerage	**51,836**	51,126
— futures brokerage	**3,010**	3,005
Less: Allowance for impairment	**(7,258)**	(18,558)
	93,538	82,158

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 Group allows an average credit period of 0–90 days to its trade customers arising from construction machinery business. The credit period provided to customers can be longer based on a number of factors including the customer's credit profile and relationship with the customers.

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

	As at 30 September 2019	As at 31 March 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–30 days	**15,350**	8,712
31–90 days	**9,205**	13,680
91–180 days	**7,042**	2,403
181–365 days	**2,315**	3,135
Over 365 days	**4,780**	5,981
	38,692	33,911

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 30 September 2019, the total value of securities pledged as collateral in respect of the margin loans was approximately HK$139,818,000 (31 March 2019: HK$147,424,000) 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.

Interest in relation to money lending business is accrued on a time basis, by reference to the principal outstanding and at effective interest rate applicable. Settlement of interest receivables is in accordance with the terms stated in agreement entered with its customers ranging from 1 month to 6 months (31 March 2019: 1 month to 6 months).

The Group applies simplified approach to provide for expected credit loss ("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 30 September 2019 and 31 March 2019 was approximately HK$7,258,000 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

	As at 30 September 2019 *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
At beginning of the period/year	**18,558**	5,161
Effect of adoption of HKFRS 9	**–**	9,024
	18,558	14,185
Impairment losses recognised	**1,273**	5,294
Amount written off as uncollectible	**(12,573)**	(921)
At end of the period/year	**7,258**	18,558

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 September 2019 *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
Non-current:		
Deposits for acquisition of property, plant and equipment	**407**	2,719
Current:		
Other receivables	**1,545**	71
Deposits	**4,852**	3,516
Prepayments	**3,565**	1,494
Less: Allowance for impairment	**(1,081)**	(581)
	8,881	4,500

17. FINANCE LEASE RECEIVABLES

	As at 30 September 2019 *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
Current finance lease receivables	**9,021**	8,004
Less: Allowance for impairment	**(537)**	(900)
	8,484	7,104
Non-current finance lease receivables	**3,305**	6,901
	11,789	14,005

Leasing arrangements

Certain of the Group's machinery is leased out under finance leases. All leases are denominated in HK$. The term of finance leases entered into range from 2 years to 5 years (31 March 2019: 2 years to 5 years).

Amounts receivable under finance leases

	Minimum lease payments		**Present value of lease payments**	
	As at 30 September 2019 *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)	**As at 30 September 2019** *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
Not later than one year	**8,652**	8,321	**8,484**	7,104
Later than one year and not later than five years	**3,971**	7,335	**3,305**	6,901
	12,623	15,656	**11,789**	14,005
Less: unearned finance income	**(834)**	(1,651)	**N/A**	N/A
Present value of minimum lease payments receivable	**11,789**	14,005	**11,789**	14,005

The effective interest rates of the finance leases as at 30 September 2019 range from 4.55% to 12.00% per annum (31 March 2019: 4.55% to 12.00% per annum).

There was no unguaranteed residual value in connection with finance lease arrangements or contingent lease arrangements of the Group that needed to be recorded as at the end of the reporting period.

18. LOAN RECEIVABLES

	As at 30 September 2019 HK$'000 (Unaudited)	As at 31 March 2019 HK$'000 (Audited)
Non-current:		
Secured, fixed-rate loan receivables *(Note)*	**32,056**	16,968
Less: Allowance for impairment loss	**(103)**	(922)
	31,953	16,046
Current:		
Secured, fixed-rate loan receivables *(Note)*	**88,934**	67,276
Unsecured and guaranteed, fixed-rate loan receivables	**70,905**	61,913
Unsecured and non-guaranteed, fixed-rate loan receivables	**26,075**	24,114
Less: Allowance for impairment	**(23,217)**	(6,044)
	162,697	147,259
	194,650	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:

	As at 30 September 2019			
	Stage 1 *HK$'000*	**Stage 2** *HK$'000*	**Stage 3** *HK$'000*	**Total** *HK$'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**
Balance at 31 March 2019 (Audited)	**6,966**	–	–	**6,966**
(Over-provision written back)/ new loans originated	**(6,346)**	**5,645**	**17,055**	**16,354**
At 30 September 2019 (Unaudited)	**620**	**5,645**	**17,055**	**23,320**

In general, loans receivable are considered as default when the loans receivable or its related installments are overdue by over 90 days. As at 30 September 2019, a provision of HK$17,055,000 (31 March 2019: HK$Nil) was provided for the defaulted loan receivables under lifetime ECL.

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 results from default events possible within the next 12 months. If a significant increase in credit risk since initial recognition is identified "State 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 six months ended 30 September 2019, total provision of HK$6,265,000 (31 March 2019: HK$6,923,000) under Stage 1 and Stage 2 was released to the condensed consolidated statement of profit or loss and other comprehensive income based on assessment from ECL model.

19. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

Pledged bank deposits were pledged to banks to secure bank borrowings granted to the Group as set out in note 23 and interest-bearing at a prevailing market rate of 0.19% per annum (31 March 2019: 0.59% per annum).

Bank balances carry interest at prevailing market rates which range from 0.0009% to 0.0535% (31 March 2019: 0.0001% to 0.0021%) per annum.

20. TRADE PAYABLES

	As at 30 September 2019 ***HK$'000*** **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
Margin and other deposits payable to clients arising from commodities, futures and securities brokerage	**8,025**	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	**5,053**	5,922
	13,078	14,009

The settlement terms of payables 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 principally comprise amounts outstanding for trade purchases. The normal credit period taken for trade purchases is 0–45 days.

An aged analysis of the Group's trade payables at the end of the reporting period presented based on the invoice dates is as follows:

	As at 30 September 2019 *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
0–30 days	**2,065**	1,581
31–60 days	**1,414**	1,724
61–180 days	**772**	2,058
181–365 days	**691**	151
Over 365 days	**111**	408
	5,053	5,922

21. ACCRUALS, DEPOSITS RECEIVED AND OTHER PAYABLES

	As at 30 September 2019 *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
Accruals	**5,934**	6,470
Deposits received	**200**	10,238
Other payables	**1,240**	905
	7,374	17,613

Note: As at 30 September 2019, approximately HK$850,000 (31 March 2019: HK$2,084,000) represented interest payable to a director.

22. AMOUNT DUE TO A DIRECTOR/AMOUNTS DUE FROM/(TO) FELLOW SUBSIDIARIES/ AMOUNT DUE TO AN INTERMEDIATE HOLDING COMPANY/LOAN FROM A DIRECTOR

Amounts due from a director and fellow subsidiaries

The amounts are interest-free, unsecured and are repayable on demand.

Details of amount due from a director, which is non-trade nature, are as follows:

	Maximum amount outstanding during the period *HK$'000*	**As at 30 September 2019** *HK$'000* **(Unaudited)**	Maximum amount outstanding during the year *HK$'000*	As at 31 March 2019 *HK$'000* (Audited)
Tang Yiu Chi James	**–**	**–**	78	–

Amounts due to a director, fellow subsidiaries and an intermediate holding company

The amounts are non-trade nature, interest-free, unsecured and are repayable on demand.

Loan from a director

The amount is unsecured, bearing an interest of 2% per annum and amount of HK$30,000,000 will be matured on 14 May 2020 respectively without repayable on demand clause.

23. BORROWINGS

Bank borrowings

	As at 30 September 2019 *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
Secured and guaranteed interest-bearing bank loans:		
Repayable on demand or within one year	**9,937**	29,389
Repayable after one year which contain a repayable on demand clause	**26,937**	31,813
Total bank borrowings	**36,874**	61,202
Analysis based on scheduled repayment terms set out in the loan agreements, into:		
On demand or within one year	**9,937**	29,389
More than one year, but not exceeding two years	**9,449**	9,854
More than two years, but not exceeding five years	**16,531**	18,170
More than five years	**957**	3,789
Total bank borrowings	**36,874**	61,202

Bank borrowings bear interest at floating interest rates. The effective interest rates of borrowings as at the end of the reporting period ranged from 3.63% to 4.63% per annum (31 March 2019: 2.79% to 6.13% per annum).

The bank loans and other banking facilities are secured and guaranteed by:

(a) Pledge of leasehold land and building (Note 12) held by the Group as at 30 September 2019 and 31 March 2019;

(b) Pledge of bank deposits amounting to HK$5,000,000 and HK$4,654,000 (Note 19) held by the Group as at 30 September 2019 and 31 March 2019, respectively;

(c) Pledge of certain loan receivables amounting to approximately HK$36,822,000 held by the Group as at 30 September 2019;

(d) At 30 September 2019 and 31 March 2019, the Company has issued guarantees to banks to secure banking facilities granted to certain subsidiaries.

Other borrowings

It is the Group's policy to lease certain of its motor vehicles and machinery under financing arrangement. The Group entered into financing arrangement with several financial institutions, pursuant to which the Group transferred the legal title of certain machinery of the Group to these financial institutions at net consideration of HK$23,898,000 (31 March 2019: HK$28,460,000). The Group is obligated to pay monthly instalments in accordance with the respective agreements. Upon the maturity of the lease, the Group is entitled to purchase back the machinery at cash considerations in accordance with the respective agreements which are expected to be lower than the market values of the respective machinery. Although the arrangement involves a legal form of a lease, the Group accounted for the arrangement as a collateralised borrowing at amortised cost using effective interest method, in accordance with the substance of the arrangement.

The lease terms ranged from 3 to 5 years (31 March 2019: 3 to 5 years) under sale and leaseback arrangement. Interest rates underlying all arrangements are either fixed ranging from 2.88% to 8.75% per annum (31 March 2019: 2.88% to 4.97% per annum) or variable ranging from 3.75% to 4.3% per annum (31 March 2019: 3.54% to 5.15% per annum) at the respective contract dates. None of the leases include contingent rentals.

	Present value of Minimum lease payments	
	As at 30 September 2019	As at 31 March 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Principal amount:		
Within one year	**99,311**	56,915
Within a period of more than one year but not more than two years	**32,552**	26,457
Within a period of more than two years but not more than five years	**24,241**	11,224
	156,104	94,596
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(99,311)**	(56,915)
Amount due for settlement after 12 months	**56,793**	37,681

Other borrowings are effectively secured by the underlying assets of HK$132,215,000 (31 March 2019: HK$125,981,000) as the rights to the leased assets would be reverted to the lessor in the event of default by repayment by the Group.

Included in the Group's borrowings are borrowings, with carrying amount of HK$52,391,000 (31 March 2019: HK$62,900,000) which contain a repayment on demand clause.

24. OBLIGATION UNDER FINANCE LEASES

	As at 30 September 2019 HK$'000 (Unaudited)	As at 31 March 2019 HK$'000 (Audited)
Analysed for reporting purposes as:		
Current liabilities	**4,564**	4,153
Non-current liabilities	**5,750**	5,704
	10,314	9,857

It is the Group's policy to lease certain of its motor vehicles and machineries under finance leases. The lease terms range from 3 to 5 years (31 March 2019: 3 to 5 years). Interest rates underlying all obligations under finance leases are fixed ranging from 1.40% to 4.34% per annum (31 March 2019: 1.40% to 4.14% per annum) at the respective contract dates. None of the leases include contingent rentals.

	Minimum lease payments		Present value of lease payments	
	As at 30 September 2019 HK$'000 (Unaudited)	As at 31 March 2019 HK$'000 (Audited)	As at 30 September 2019 HK$'000 (Unaudited)	As at 31 March 2019 HK$'000 (Audited)
Obligation under finance leases payable:				
Within one year	**4,899**	4,478	**4,564**	4,153
Within a period of more than one year but not more than two years	**4,229**	3,647	**4,081**	3,485
Within a period of more than two year but not more than five years	**1,709**	2,260	**1,669**	2,219
	10,837	10,385	**10,314**	9,857
Less: future finance charges	**(523)**	(528)	**N/A**	N/A
Present value of lease obligations	**10,314**	9,857	**10,314**	9,857
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(4,564)**	(4,153)
Amount due for settlement after 12 months			**5,750**	5,704

Finance lease payables are effectively secured by the underlying assets as the rights to the leased assets would be reverted to the lessor in the event of default by repayment by the Group.

25. DEFERRED TAX

The following are the major deferred tax (liabilities) assets recognised by the Group and the movement thereon, during the Period.

	Fair value adjustments arising from acquisition of subsidiaries *HK$'000*	Impairment loss of financial assets *HK$'000*	Accelerated tax depreciation *HK$'000*	Tax losses *HK$'000*	Total *HK$'000*
At 1 April 2018 (Audited)	–	–	(28,098)	4,778	(23,320)
Acquisition of subsidiaries	(1,984)	–	–	–	(1,984)
Credit/(charge) to profit or loss	100	–	(4,404)	5,285	981
At 31 March 2019 and at 1 April 2019 (Audited)	(1,884)	–	(32,502)	10,063	(24,323)
Credit/(charge) to profit or loss	199	3,848	(262)	2,297	6,082
At 30 September 2019 (Unaudited)	**(1,685)**	**3,848**	**(32,764)**	**12,360**	**(18,241)**

At the end of the reporting period, the Group has unused tax losses of HK$52,391,000 (31 March 2019: HK$60,988,000) available for offset against future profits. A deferred tax assets has been recognised in respect of such losses. The management of the Group assessed the future cash flows of the subsidiaries of the Group with reference to the machinery hire agreements and in the opinion of the Directors of the Company, taxable profit will be probably available against which the unused tax losses can be utilised in the foreseeable future.

The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 30 September 2019 ***HK$'000*** **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
Deferred tax assets	**8,690**	3,913
Deferred tax liabilities	**(26,931)**	(28,236)
	(18,241)	(24,323)

26. SHARE CAPITAL

	Number of Shares	Amount
		HK$'000
Authorised:		
At 1 April 2018 (Audited), 31 March 2019 (Audited) and 30 September 2019 (Unaudited)	20,000,000,000	200,000
Issued and fully paid:		
At 1 April 2018 (Audited)	2,400,000,000	24,000
Issue of shares by rights issue on 25 June 2018 *(Note (a))*	1,200,000,000	12,000
Issue of shares on 17 December 2018 *(Note (b))*	550,000,000	5,500
At 31 March 2019 (Audited)	4,150,000,000	41,500
Issue of consideration shares *(Note (c))*	275,862,069	2,759
Issue of emolument shares *(Note (d))*	2,021,563	20
At 30 September 2019 (Unaudited)	4,427,883,632	44,279

Notes:

(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.

(b) On 17 December 2018, the Group agreed 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.

(c) On 30 August 2019, the Group completed the acquisition of assets with appraised value of approximately HK$86,800,000, which was satisfied in full by the allotment and issue of the 275,862,069 consideration shares by the Company. For details, please refer to the announcements of the Company dated 12 July 2019 and 30 August 2019.

(d) On 6 September 2019, 2,021,563 shares were issued to Mr. Gao Zhangpong ("Mr. Gao") according to the terms and conditions of the service contract with Mr. Gao as emolument shares ("Emolument Shares") for his appointment as the chief executive officer of the Company, Mr. Gao has resigned as the chief executive officer with effect from 31 August 2019. For details of the Emolument Shares and the resignation of Mr. Gao, please refer to the announcements of the Company dated 28 February 2019 and 30 August 2019 respectively.

27. CAPITAL COMMITMENTS

	As at 30 September 2019 *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
Capital expenditure in respect of addition of property, plant and equipment — Contracted for but not provided in the consolidated financial statements	**11,671**	19,253

28. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the condensed consolidated financial statements, during the Period the Group had the following material transactions with related parties.

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit Principle Limited ("Profit Principle") *(Note)*		
Property rental expense	**(24)**	(24)
Tang Yiu Chi James		
Director's loan interest	**(367)**	(650)

Note: Mr. Tang Yiu Chi James, being a director and a shareholder of Profit Principle, is also a director of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

Due to the China–United States trade war and the recent social unrest in Hong Kong, 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 than those committed in 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 focuses 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 acquisition of Hao Tian International Financial Holdings Limited ("**HTIFH**") in December 2018, the Group has broaden the source of income and will potentially increase the Group's revenue and enhance the Group's financial performance.

BUSINESS REVIEW

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

Rental of construction machinery and provision of repair and maintenance services

The Group offers 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 ranges from 2.9-tonne mini crawler cranes to 750-tonne massive crawler cranes. The Group sources these construction machinery mainly through the manufacturers of construction machinery located in developed countries in Western Europe and Northern Asia as well as world-wide traders of used construction machinery.

The Group has maintained over 220 units of construction machinery in the rental fleet during the Period. Details of the construction machinery carried by the Group available for the rental operations are summarised as follows:

	As at 30 September 2019 ***Number in fleet***	As at 31 March 2019 *Number in fleet*
Crawler cranes and other mobile cranes	**105**	102
Aerial platforms	**87**	85
Foundation equipment	**37**	37
	229	224

In order to maintain a modern fleet of construction machinery with a greater variety of models, the Group has been replacing, from time to time, portions of its fleet of construction machinery. 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 according to the operations 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, amongst others, the market condition changes or other factors deemed necessary.

Trading of construction machinery, spare parts and construction materials

The Group is also engaged in 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 offers 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 sells spare parts to customers for maintenance purposes or upon request.

Transportation service

The transportation services include local container delivery, construction site delivery and heavy machinery transport. According to customers' requests, the Group arranges and provides 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, brokerage and financial services and related advisory services

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 under the Securities and Futures Ordinance; (ii) an insurance broker company licenced to carry on regulated activities under the Insurance Ordinance; and (iii) a money lender licence, which allows the Group to provide a wide range of financial services. The Group believes that 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 sustainable growth to the Group.

FINANCIAL REVIEW

Revenue

The total revenue decreased by approximately HK$5.7 million, or 7.2%, from approximately HK$79.3 million for the Previous Period to approximately HK$73.6 million for the Period. Such decrease was mainly attributable to the decrease in revenue generated from the trading of construction machinery, spare parts and construction materials.

Rental of construction machinery and provision of repair and maintenance services

The revenue from rental of construction machinery increased by approximately HK$3.7 million, or 7.3%, from approximately HK$50.2 million for the Previous Period to approximately HK$53.9 million for the Period. The increase was mainly attributable to the increase in rental income generated from the 750-tonne massive crawler cranes during the Period.

Trading of construction machinery, spare parts and construction materials

The revenue from trading of construction machinery, spare parts and construction materials decreased by approximately HK$26.2 million, or 91.9%, from approximately HK$28.5 million for the Previous Period to approximately HK$2.3 million for the Period. Such decrease was mainly attributable to the decreased demand for replacement with brand new and environmentally friendly construction machinery the approval of major infrastructure projects was delayed and the overall business environment of the construction industry remains uncertain.

Transportation services

The revenue from provision of transportation services decreased by approximately HK$0.6 million, or 85.7%, from approximately HK$0.7 million for the Previous Period to approximately HK$0.1 million for the Period.

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

After the completion for the acquisition of HTIFH in December 2018, the Group starts to generate income from the provision of commodities, futures, securities brokerage and financial services and related advisory services. During the Period, the revenue from provision of commodities, futures, securities, brokerage and financial services and related advisory services was approximately HK$17.2 million.

GROSS PROFIT AND GROSS PROFIT MARGIN

The gross profit increased by approximately HK$11.4 million, or 152.0%, from approximately HK$7.5 million for the Previous Period to approximately HK$18.9 million for the Period, while the gross profit margin increased from approximately 9.4% for the Previous Period to approximately 25.7% for the Period. 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 decreased by approximately HK$1.3 million, or 18.6%, from approximately HK$7.0 million for the Previous Period to approximately HK$5.7 million for the Period. In addition, the gross profit margin of construction machinery rental services decreased from approximately 14.0% for the Previous Period to approximately 10.6% for the Period.

The decrease in gross profit margin of construction machinery rental services was mainly attributable to the increase in depreciation due to increase in the number of rental fleets.

Trading of construction machinery, spare parts and construction materials

For the trading of construction machinery, spare parts and construction materials, the Group recorded a gross loss of approximately HK$3.5 million for the Period, compared to a gross profit of approximately HK$0.5 million for the Previous Period. In addition, the gross profit margin for the trading of construction machinery, spare parts and construction materials decrease from approximately 1.8% for the Previous Period to approximately -151.5% for the Period.

The gross loss for trading of construction machinery, spare parts and construction materials was mainly attributable to the combined effect of (i) decrease in revenue from trading of construction machinery, spare parts and construction materials; and (ii) direct cost included staff costs remained at a similar level as the Previous Period for the maintenance of the workforce for operations.

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

The gross profit of financial services was approximately HK$17.0 million during the Period. This is a new business segment acquired by the Group from HTIFH in December 2018.

OTHER INCOME, OTHER GAINS AND LOSSES

The other income, other gains and losses increased by approximately HK$12.0 million, or 144.6%, from approximately HK$8.3 million for the Previous Period to approximately HK$20.3 million for the Period. The increase was mainly due to a one-off gain from disposal of a subsidiary at approximately HK$32.2 million, and partially offset by fair value loss on certain financial assets at fair value through profit or loss of approximately HK$13.9 million.

ADMINISTRATIVE EXPENSES

The administrative expenses increased by approximately HK$12.0 million, or 74.1%, from approximately HK$16.2 million for the Previous Period to approximately HK$28.2 million for the Period, mainly due to the administrative expenses incurred by HTIFH during the Period.

FINANCE COSTS

The finance cost increased by approximately HK$0.3 million, or 7.5%, from approximately HK$4.0 million for the Previous Period to approximately HK$4.3 million for the Period, mainly due to increase in other borrowings during the Period.

NET LOSS

The Group's net loss for the Period was approximately HK$7.1 million (Previous Period: approximately HK$4.7 million) and the net loss margin would be approximately 9.6% (Previous Period: 5.9%).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group had a solid financial position. During the Period, the Group's primary sources of funding included the cash generated from investing activities and the credit facilities provided by the Group's principal banks in Hong Kong.

As at 30 September 2019, the Group had bank balances and cash and pledged bank deposits of approximately HK$145.3 million (31 March 2019: approximately HK$129.5 million) and HK$5.0 million (31 March 2019: approximately HK$4.7 million) respectively.

As at 30 September 2019, the Group had total assets of approximately HK$1,148.4 million (31 March 2019: approximately HK$1,080.3 million), net current assets of approximately HK$409.6 million (31 March 2019: approximately HK$362.1 million) and net assets of approximately HK$847.1 million (31 March 2019: approximately HK$766.8 million).

As at 30 September 2019, the Group's current assets and current liabilities were approximately HK$621.5 million (31 March 2019: approximately HK$574.0 million) and HK$211.9 million (31 March 2019: approximately HK$211.9 million) respectively. The Group's current ratio increased to approximately 2.9 times as at 30 September 2019 (31 March 2019: approximately 2.7 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, obligation under finance leases, loan from a director, amount due to a director and amounts due to related companies) with total equity; it was approximately 29.6% as at 30 September 2019 (31 March 2019: approximately 32.9%). The decrease was mainly contributed by the increase in total equity due to issue of consideration shares as a result of the acquisition of assets.

As at 30 September 2019, the borrowings, obligation under finance leases and loan from a director, amounts due to related companies and a director amounted to approximately HK$249.9 million (31 March 2019: approximately HK$252.4 million) of which approximately HK$187.3 million were repayable on demand or within one year; approximately HK$36.8 million were repayable in the second year; approximately HK$25.8 million were repayable in the third to fifth year from the end of the Period.

CHARGES ON GROUP'S ASSETS

As at 30 September 2019, the Group's borrowings and obligation under finance leases are secured by (1) leasehold land and building with net carrying amount of approximately HK$0.6 million (31 March 2019: approximately HK$0.6 million); (2) bank deposits of approximately HK$5 million (31 March 2019: approximately HK$4.7 million); (3) machinery and motor vehicles with net carrying amount of approximately HK$140.2 million (31 March 2019: approximately HK$148.4 million); and (4) loan receivables of approximately HK$36.8 million (31 March 2019: HK$nil).

CAPITAL EXPENDITURE

The total capital expenditure incurred for the Period was approximately HK$27.2 million (Previous Period: approximately HK$45.1 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 bear fixed interest rates. The Group's cash at bank balances bear floating interest rates. The Group also has borrowings, obligation under finance leases and loan from a director which bear interests at fixed and floating interest rates. Exposure to interest rate risk exists on those balances subject to floating interest rate when there are unexpected adverse interest rate movements. The Group's policy is to manage its interest rate risk, working within an agreed framework, to ensure that there are no undue exposures to significant interest rate movements and rates are appropriately fixed when necessary.

CURRENCY RISK

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

CREDIT RISK AND LIQUIDITY RISK

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

CAPITAL COMMITMENTS

The capital commitments consist primarily of the purchase of construction machinery for rental purpose. As at 30 September 2019, the capital commitments contracted but not provided for amounted to approximately HK$11.7 million (31 March 2019: approximately HK$19.3 million).

CONTINGENT LIABILITIES

As at 30 September 2019, the Group provided performance guarantee amounting to approximately HK$10.2 million (31 March 2019: performance guarantee amounting to approximately HK$11.2 million) to the banks in respect of obligation under finance leases and the Group's obligation 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 these customers or the Group failed to perform the relevant obligations to these customers. As at 30 September 2019 and 31 March 2019, 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 not probable that a claim will be made against the Group.

EVENTS AFTER THE REPORTING PERIOD

On 27 November 2019, the Company completed the disposal of an aggregate of 300,000,000 shares in China Shandong Hi-Speed Financial Group Limited (the "**SDHS Shares**"), representing approximately 1.23% of its issued share capital as at the date of transaction at the sale price of HK$0.25 per SDHS Share for an aggregate consideration of approximately HK$75,000,000 (before transaction costs) (the "**Disposal**"). It is expected that the Group will record a loss of approximately HK$1,500,000 from the Disposal.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2019, the Group had 153 staff (31 March 2019: 140). The total staff costs incurred by the Group for the Period were approximately HK$34.1 million (Previous Period: approximately HK$27.8 million).

The Group generally recruits its employees from the open market or by referral and enters into service contracts with its employees. The Group offers attractive remuneration packages to the employees. In addition to salaries, the employees would be entitled to bonuses subject to Company's and employees' performance. The Group provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for the eligible employees.

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

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend to shareholders of the Company (the "**Shareholders**") for the Period.

EQUITY FUND RAISING ACTIVITIES

The Group carried out a rights issue in the Previous Period. 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
25 June 2018	On 25 June 2018, the Company proposed a 1-for-2 rights issue (the "**Rights Issue**") to raise proceeds of approximately HKD180 million.	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 purposes and approximately HK$142.4 million was utilised for money lending business. As of the date of this announcement, it is intended that approximately HK$17.8 million of the unutilised proceeds will be utilised within this financial year ending 31 March 2020.

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENTS

Save as disclosed below, no material acquisition and disposal of subsidiaries or significant investments were conducted by the Group during the Period.

Acquisition of Hao Tian Credit Company Limited

On 10 September 2019, Hao Tian Finance Company Limited ("**Hao Tian Finance**"), a wholly-owned subsidiary of Hao Tian Development Group Limited ("**Hao Tian Development**"), the indirect controlling shareholder of the Company, as seller, HTIFH as purchaser and the Company entered into a sale and purchase agreement pursuant to which HTIFH conditionally agreed to buy and Hao Tian Finance conditionally agreed to sell the entire issued share capital of Hao Tian Credit Company Limited ("**Hao Tian Credit**") at a consideration of HK$213,000,000, which shall be satisfied in full by the issue of the convertible notes in the principal amount of HK$213,000,000 by the Company to the Hao Tian Development upon completion. Hao Tian Credit is a licensed money lender under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong) and is principally engaged in money lending business in Hong Kong. The acquisition of Hao Tian Credit constitutes a major and connected transaction of the Company under the Listing Rules. Upon completion, Hao Tian Credit will be 100% owned by HTIFH and become an indirect wholly-owned subsidiary of the Company, and the financial results, assets and liabilities of Hao Tian Credit will be consolidated into the consolidated financial statements of the Group.

For details of the acquisition of Hao Tian Credit, please refer to the announcement of the Company dated 10 September 2019.

Completion of this acquisition is conditional on certain conditions precedent, including the approval by independent shareholders of the Company at the coming extraordinary general meeting. As at the date of this announcement, the acquisition of Hao Tian Credit was yet to be completed.

Acquisition of fine arts for our new fund

On 12 July 2019, the Company as purchaser, Opulent Elite Investments Limited ("**Opulent Elite**") as seller and CHEN Tingjia as warrantor, entered into a sale and purchase agreement pursuant to which the Company agreed to buy and Opulent Elite agreed to sell a collection of six (6) sets of canvas and paper painting art pieces (the "**Fine Arts**") at a total consideration of HK$80,000,000, which was satisfied in full by the allotment and issue of 275,862,069 ordinary shares by the Company to Opulent Elite or its nominee at the HK$0.29 per share upon completion. The completion of acquisition of the Fine Arts took place on 30 August 2019. Immediately after completion, the Company transferred the ownership in the Fine Arts by subscription in kind to a fund in the form of a limited partnership registered in the Cayman Islands, whose general partner and limited partner are indirect wholly-owned subsidiaries of the Company. The Company intends to attract professional and/or institutional investors to invest in the said fund, while continuing to provide investment advisory services to the fund.

For details of the acquisition of the Fine Arts, please refer to the announcements of the Company dated 12 July 2019 and 30 August 2019.

Disposal of a property holding company

On 1 March 2019, Crawler Krane Business Limited ("**CKB**"), a wholly owned subsidiary of the Company, entered into the sale and purchase agreement with the Bravo Rich Limited, pursuant to which CKB has conditionally agreed to sell, and the Bravo Rich Limited has conditionally agreed to acquire, (i) the entire issued share capital of Chim Kee Crane Company Limited ("**CKC**"), which shall be free from encumbrances and third party rights; and (ii) the shareholder's loan, representing the entire amount due and owing by CKC to the CKB as at the completion date, at an aggregate cash consideration of HK$100,000,000. CKC was a property holding company and its principal asset was a parcel of land situated in Tai Tong, Yuen Long.

On 29 April 2019, the disposal of CKC was completed. CKC ceased to be a subsidiary of the Company and the Company ceased to have any interest in CKC. The Group recorded a net book gain of approximately HK$32,168,000 from the disposal of CKC, which is calculated with reference to the difference between (a) the consideration and (b) the aggregate of (i) the net book value of CKC; (ii) the amount of the shareholders' loan; and (iii) the estimated expenses in connection with the disposal of CKC.

For details, please refer to the announcements of the Company dated 1 March 2019 and 29 April 2019.

PROSPECTS

As a provider of professional and quality comprehensive financial services for customers, the Group is committed to forge a financial platform with diversified businesses by proactively exploring both Mainland and Southeast Asia markets and redeploying its strategies in line with the Belt and Road Initiative and the economic development trends in Guangdong-Hong Kong-Macau Greater Bay Area ("**Greater Bay Area**").

As envisioning the new opportunities arising from Belt and Road Initiative, the Group is in its full swing of the expansion into Southeast Asia. Capitalizing the expertise in banking of its management teams as well as the prevailing tide of economic boom in Southeast Asia, the Group is envisaging to solidify its presence in the local financial markets through various ways such as equity investment and acquiring the right of operation.

Meanwhile, exceling its strength on resources in Hong Kong, the Group is going to expand the scale of overseas financing and accordingly propel the transformation and upgrade of local real economy by assisting domestic enterprises in gaining access to international financial market and diversifying their financing channels internationally. The Group would also like to intensify its tie with enterprises by setting up industry funds, facilitating integration of local innovation industry and offering quality investment services.

Furthermore, the Group would act proactively in the development of Greater Bay Area by cooperating with local enterprises in Shenzhen and Macau and keeping abreast of the development in various fields such as digital finance, specialised financial services, underlying industries in Sino-Portuguese cooperation, as well as gaming and finance.

As shown above, the Group has plotted a clear development plan and is aware of its development strategies, and it is expected that the business and revenue will continue to grow steadily in the foreseeable future.

CORPORATE GOVERNANCE PRACTICES

The Company and the Board are devoted to achieving and maintaining high standards of corporate governance as the Board believes that effective and efficient 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.

Throughout the Period, the Company has fully complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 of the Listing Rules, except for the deviations 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. On 30 August 2019, the Company announced that (i) Mr. Zhang Sheng ("**Mr. Zhang**") has been appointed as the vice chairman of the Board with effect from 1 September 2019; and (ii) Mr. Zheng Li ("**Mr. Zheng**") has been appointed as the chief executive officer of the Company with effect from 1 September 2019 following the resignation of Mr. Gao Zhangpeng, the former chief executive officer of the Company. Mr. Zhang provides leadership and is responsible for the effective functioning and leadership of the Board and Mr. Zheng is responsible for running the Group's business and effective implementation of the strategies of the Group.

(ii) The Nomination Committee was previously chaired by an executive Director instead of an independent non-executive Director. To enhance the corporate governance of the Company, Mr. Mak Yiu Tong, an independent non-executive Director, has been appointed as the chairman of the Nomination Committee with effect from 1 September 2019 in compliance with the CG Code provision A.5.1.

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 with all Directors, and all Directors have confirmed that they had complied with the Model Code and its code of conduct during the Period.

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 established the Audit Committee on 23 October 2015 with written terms of reference in compliance with code provision C.3 of the CG Code. As at 30 September 2019 and up to the date of this announcement, the Audit Committee comprises three independent non-executive Directors, 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 primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control system of the Group. It also acts as an important link between the Board and the Company's auditor in matters within the scope of the group audit. Meetings shall be held at least twice a year.

The unaudited interim results and financial report of the Group for the Period have been reviewed by the Audit Committee.

SHARE OPTION SCHEME

The Company's share option scheme was adopted pursuant to a resolution passed on 23 October 2015. As at 30 September 2019, no share option under the share option scheme had been granted.

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

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

COMPETING BUSINESS

During the Period, none of the Directors and their respective associates had any interests in a business, apart from the business of the Group, which competes or may compete with the business of the Group or has any other conflict of interest with the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

APPRECIATION

The Board would like to take this opportunity to express its gratitude to all shareholders, customers, suppliers, business partners, banks, professional parties and employees of the Group for their continuous support.

PUBLICATION OF INTERIM RESULTS

This results announcement will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.haotianint.com). The interim report will be despatched to the shareholders and will be published on the websites of the Stock Exchange and the Company, respectively in due course.

By order of the Board
Zhang Sheng
Hao Tian International
Construction Investment Group Limited
Vice Chairman

Hong Kong, 30 November 2019

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Zhang Sheng, Mr. Fok Chi Tak, Mr. Zheng Li, 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.