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## **ZHIDAO INTERNATIONAL (HOLDINGS) LIMITED**

**志道國際(控股)有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 01220)**

### **VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE**

This announcement is made by Zhidao International (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide shareholders and potential investors of the Company with the latest business update of the Group.

#### **EXISTING AND POTENTIAL PROJECTS**

The board (the “**Board**”) of directors of the Company wishes to provide an update in relation to the existing and potential projects of the Group. As at the date hereof:

- (i) The Group was awarded contracts for two projects in Hong Kong, in relation to scaffolding erection and dismantling works and building repair works, with an aggregate contract value of approximately HK\$25.1 million;
- (ii) The Group has tendered for five potential projects in Hong Kong, in relation to, among others, scaffolding erection and dismantling works and design and building for site formation works, with an aggregate contract value of approximately HK\$95.4 million; and
- (iii) The Group is planning to tender for three potential projects in Hong Kong and eight potential projects in Macau, in relation to, among others, building renovation works, and repair and improvement works for public amenities, with an aggregate contract value of approximately HK\$612 million.

\* *For identification purposes only*

## **FUTURE PLANS OF THE GROUP'S CONSTRUCTION BUSINESS**

### **Macau market**

During the last 18 months, after the completion of the Macau Prison Project, the Group has been actively identifying potential projects in Macau. However, the tendering was not successful.

The potential construction projects in Macau that the Group plans to tender for in 2025 have a total estimated contract sum of approximately HK\$152 million. On the assumption that (but the Group in no way guarantees, forecasts or predicts that) the Group successfully tenders for such projects, a large proportion of the contract sum is expected to be recognised as revenue to the Group during the year ending 31 March 2026.

### **Hong Kong market**

While the Group will continue its efforts in exploring opportunities in the Macau market, the Group's simultaneous endeavours in the Hong Kong market has led to two projects awarded as mentioned in paragraph (i) under "Existing and potential projects" above.

In addition, the management noticed growth in the demand for building maintenance in Hong Kong. The Group has therefore begun to tap into the scaffolding market recently. Scaffolding projects provided a decent cash flow pattern, under which majority of the contract sum is received upon completion of the scaffolding erection works, with the remainder being receivable after dismantling of scaffolding. This facilitates the recovery of the project cost at an early stage of a project. Thus, when opportunities arise, the Group may tender for more scaffolding projects as one of its strategies to explore new revenue stream with relatively lower risk of cash flow mismatch. Currently, the Group has tendered for four scaffolding projects which have a total estimated contract sum of approximately HK\$19.4 million. The Group targets to further develop and expand this segment of construction business.

Lastly, the potential projects in Hong Kong that the Group plans to tender for in 2025, which are renovation, repair and maintenance in nature, have a total estimated contract sum of approximately HK\$460 million. On the assumption that (but the Group in no way guarantees, forecasts or predicts that) the Group successfully tenders for such projects, a material part of the total contract sum is expected to be recognised as revenue to the Group during the year ending 31 March 2026.

The Board wishes to emphasise that the above information shall not constitute any forecast or prediction of the profits of the Group.

**Shareholders of the Company and potential investors should be reminded that the aforesaid potential projects which the Group has tendered or is planning to tender for may or may not be awarded to the Group. As such, shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Zhidao International (Holdings) Limited**  
**Tung Yee Shing**  
*Chairman*

Hong Kong, 20 December 2024

*As at the date of this announcement, the Board comprises 7 Directors. The executive Directors are Mr. Tung Yee Shing (Chairman), Mr. Zhong Can and Mr. Lam Chun Bun. The independent non-executive Directors are Mr. Li Kam Chung, Mr. Kwok Lap Fung, Beeson, Mr. Wong Wing Cheung and Ms. Ng Wing Laam.*