亞洲聯合基建控股有限公司

ASIA ALLIED INFRASTRUCTURE HOLDINGS LIMITED

(Incorporated in Bermuda with Limited Liability)
(Stock Code: 00711.HK)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL HIGHLIGHTS

	2025
	HK$'000
Total revenue	**9,055,006**
Loss attributable to shareholders of the Company	**(274,039)**
Basic loss per share	**HK(15.27) cents**
Equity per share*	**HK$1.20**

* *Equity per share refers to equity attributable to shareholders of the Company divided by the total number of issued ordinary shares as at 31 March 2025.*

ANNUAL RESULTS

The board of directors (the "Board" or the "Directors") of Asia Allied Infrastructure Holdings Limited (the "Company") hereby announces the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2025 (the "Year"), together with the relevant comparative figures for the previous financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2025

	Notes	**2025** ***HK$'000***	2024 *HK$'000*
REVENUE	*4*	**9,055,006**	8,779,017
Cost of sales		**(8,658,352)**	(8,203,034)
Gross profit		**396,654**	575,983
Other income and gains, net	*5*	**40,912**	149,396
Administrative expenses		**(437,459)**	(412,476)
Other expenses, net		**(39,104)**	(26,557)
Finance costs	*6*	**(213,524)**	(199,242)
Share of loss of a joint venture		**(470)**	(5,093)
Share of profits and losses of associates		**23,278**	15,785
(LOSS)/PROFIT BEFORE TAX	*7*	**(229,713)**	97,796
Income tax	*8*	**(26,225)**	(11,982)
(LOSS)/PROFIT FOR THE YEAR		**(255,938)**	85,814
OTHER COMPREHENSIVE (LOSS)/INCOME			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Translation of foreign operations		**(2,495)**	(7,748)
Reclassification adjustments for gains included in profit or loss upon:			
Deregistration of subsidiaries		**–**	10
Disposal of subsidiaries		**–**	1,802
Share of movement in the exchange fluctuation reserve of a joint venture		**(104)**	(171)
Share of movements in the exchange fluctuation reserves of associates		**(1,045)**	(5,932)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF INCOME TAX OF NIL		**(3,644)**	(12,039)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(259,582)**	73,775

	Note	2025 *HK$'000*	2024 *HK$'000*
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Shareholders of the Company		**(274,039)**	72,094
Non-controlling interests		**18,101**	13,720
		(255,938)	85,814
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Shareholders of the Company		**(277,683)**	60,055
Non-controlling interests		**18,101**	13,720
		(259,582)	73,775
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	*10*	***HK cents***	*HK cents*
Basic and diluted		**(15.27)**	4.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2025

	Note	2025 HK$'000	2024 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**188,992**	214,404
Right-of-use assets		**227,012**	158,372
Goodwill		**216,452**	194,485
Intangible assets		**1,174**	1,544
Investments in joint ventures		**3,266**	3,840
Investments in associates		**550,118**	523,253
Investment in an insurance contract		**2,678**	2,616
Deposits and other receivables		**3,694**	4,113
Land held for property development		**163,535**	164,516
Deferred tax assets		**278**	278
Total non-current assets		**1,357,199**	1,267,421
CURRENT ASSETS			
Land held for property development		**42,917**	41,807
Inventories		**13,150**	3,274
Contract assets		**3,750,379**	4,667,274
Trade receivables	*11*	**1,604,505**	967,973
Prepayments, deposits and other receivables		**882,973**	969,313
Income tax recoverable		**26,743**	33,809
Financial assets at fair value through profit or loss		**16,235**	23,569
Restricted cash and pledged deposits		**53,190**	37,035
Cash and cash equivalents		**1,189,972**	953,433
Total current assets		**7,580,064**	7,697,487

	Notes	**2025**	2024
		HK$'000	*HK$'000*
CURRENT LIABILITIES			
Trade and bills payables	*12*	**1,651,888**	1,916,092
Contract liabilities		**399,277**	264,545
Other payables and accruals		**1,096,465**	971,335
Bank borrowings	*13*	**3,236,052**	2,154,097
Lease liabilities		**34,097**	29,613
Income tax payables		**102,096**	78,076
Total current liabilities		**6,519,875**	5,413,758
NET CURRENT ASSETS		**1,060,189**	2,283,729
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,417,388**	3,551,150
NON-CURRENT LIABILITIES			
Bank borrowings	*13*	**2,605**	994,949
Lease liabilities		**58,754**	23,469
Deferred tax liabilities		**1,782**	2,163
Total non-current liabilities		**63,141**	1,020,581
Net assets		**2,354,247**	2,530,569
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	*14*	**186,424**	178,579
Reserves		**2,041,583**	2,281,390
		2,228,007	2,459,969
Non-controlling interests		**126,240**	70,600
Total equity		**2,354,247**	2,530,569

NOTES TO ANNUAL RESULTS

31 March 2025

1. BASIS OF PREPARATION

This financial information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"). It has been prepared under the historical cost convention except for investment in an insurance contract, financial assets at fair value through profit or loss and contingent consideration payable for the acquisition of subsidiaries which have been measured at fair value. This financial information is presented in Hong Kong dollars and all values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

Basis of consolidation

The consolidated financial information includes the financial information of the Company and its subsidiaries for the year ended 31 March 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control.

When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial information of the subsidiaries is prepared for the same reporting period as the Company. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group losses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's financial information:

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of these revised HKFRS Accounting Standards that are applicable to the Group are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16 *Leases*, the amendments did not have any impact on the financial position or performance of the Group.

(b) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments.

The chief operating decision maker of the Group has been identified as the executive directors of the Company and certain senior management (collectively referred to as the "CODM"). For the purpose of performance assessment and resource allocation by the CODM, the Group's business activities are categorised under the following five reportable operating segments:

- Construction services – provision of construction and consultancy services in areas of civil engineering, electrical and mechanical engineering, foundation and building construction mainly in Hong Kong
- Property development and assets leasing – development and sale of properties, and leasing of assets in Hong Kong, Mainland China and the United Arab Emirates (the "UAE")
- Professional services – provision of security, tunnel management, property management and other facility management services in Hong Kong
- Non-franchised bus services – provision of non-franchised bus services in Hong Kong
- Medical technology and healthcare – production and sale of positron emission tomography ("PET") radiopharmaceuticals for medical use in Hong Kong

Segment revenue and results

Segment results represent the profit generated from each segment, net of administrative expenses directly attributable to each segment without allocation of corporate expenses, interest income, gain on disposal of non-current assets classified as held for sale, non-lease-related finance costs and interest on unallocated lease liabilities. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

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

Year ended 31 March 2025

	Construction services *HK$'000*	Property development and assets leasing *HK$'000*	Professional services *HK$'000*	Non-franchised bus services *HK$'000*	Medical technology and healthcare *HK$'000*	Total *HK$'000*
Segment revenue *(note 4)***:**						
Sales to external customers	**7,883,245**	**–**	**1,125,841**	**–**	**45,920**	**9,055,006**
Intersegment sales	**–**	**–**	**6,333**	**–**	**–**	**6,333**
	7,883,245	**–**	**1,132,174**	**–**	**45,920**	**9,061,339**
Reconciliation:						
Elimination of intersegment sales						**(6,333)**
						9,055,006
Segment results	**52,399**	**(26,953)**	**15,639**	**6,674**	**11,578**	**59,337**
Interest income						**26,619**
Corporate and other unallocated expenses						**(103,846)**
Finance costs (other than interest on segment lease liabilities)						**(211,823)**
Loss before tax						**(229,713)**
Income tax						**(26,225)**
Loss for the year						**(255,938)**
Other segment information:						
Share of loss of a joint venture	**(470)**	**–**	**–**	**–**	**–**	**(470)**
Share of profits and losses of associates	**4,398**	**12,206**	**–**	**6,674**	**–**	**23,278**
Depreciation of property, plant and equipment	**(24,597)**	**(1,484)**	**(4,098)**	**–**	**(1,046)**	**(31,225)**
Depreciation of right-of-use assets	**(24,649)**	**(4,693)**	**(6,007)**	**–**	**(1,894)**	**(37,243)**
Amortisation of intangible assets — unallocated assets						**(370)**
(Loss)/gain on disposal of property, plant and equipment, net	**(6,247)**	**–**	**3,359**	**–**	**–**	**(2,888)**
Gain on disposal of a right-of-use asset	**75**	**–**	**–**	**–**	**–**	**75**
Impairment of other receivables	**–**	**(30,824)**	**–**	**–**	**–**	**(30,824)**

Year ended 31 March 2024

	Construction services *HK$'000*	Property development and assets leasing *HK$'000*	Professional services *HK$'000*	Non-franchised bus services *HK$'000*	Medical technology and healthcare *HK$'000*	Total *HK$'000*
Segment revenue *(note 4)***:**						
Sales to external customers	7,886,708	–	852,700	–	39,609	8,779,017
Intersegment sales	–	–	5,662	–	–	5,662
	7,886,708	–	858,362	–	39,609	8,784,679
Reconciliation:						
Elimination of intersegment sales						(5,662)
						8,779,017
Segment results	306,178	(12,793)	(27,000)	5,400	10,632	282,417
Interest income						20,239
Gain on disposal of non-current assets classified as held for sale						81,855
Corporate and other unallocated expenses						(88,887)
Finance costs (other than interest on segment lease liabilities)						(197,828)
Profit before tax						97,796
Income tax						(11,982)
Profit for the year						85,814
Other segment information:						
Share of loss of a joint venture	(5,093)	–	–	–	–	(5,093)
Share of profits and losses of associates	2,507	8,245	–	5,400	–	16,152
— unallocated assets						(367)
						15,785
Depreciation of property, plant and equipment	(29,553)	(1,524)	(5,625)	–	(1,118)	(37,820)
Depreciation of right-of-use assets	(21,988)	(4,693)	(7,791)	–	(2,283)	(36,755)
Amortisation of intangible assets — unallocated assets						(370)
(Loss)/gain on disposal of property, plant and equipment, net	(161)	–	1,292	–	–	1,131
Impairment of other receivables	–	(10,040)	–	–	–	(10,040)
Write off of prepayment, deposits and other receivables	(8,927)	–	–	–	–	(8,927)
— unallocated assets						(5,514)
						(14,441)

Segment assets and liabilities

Information about segment assets and liabilities is not disclosed as it is not regularly reviewed by the CODM.

Geographical information

(a) Revenue from external customers

No geographical information of revenue from external customers is presented as more than 90% of revenue during each of the years ended 31 March 2025 and 2024 was derived from Hong Kong.

(b) Non-current assets

	2025	2024
	HK$'000	*HK$'000*
Hong Kong	**674,494**	650,012
Mainland China	**188,125**	147,997
The UAE	**163,535**	164,516
Other jurisdictions	**107,943**	103,404
	1,134,097	1,065,929

The non-current asset information disclosed above is based on the locations of the assets and excludes goodwill, investment in an insurance contract, deposits and other receivables and deferred tax assets.

Information about a major customer

A summary of revenue earned from an external customer, which contributed more than 10% of the Group's revenue for each of the years ended 31 March 2025 and 2024, is set out below:

	2025	2024
	HK$'000	*HK$'000*
Customer A:		
Contribution to construction services segment	**6,141,318**	4,457,183
Contribution to professional services segment	**493,495**	282,742
	6,634,813	4,739,925

4. REVENUE

An analysis of the Group's revenue is as follows:

	2025	2024
	HK$'000	*HK$'000*
Revenue from contracts with customers	**9,055,006**	8,779,017

5. OTHER INCOME AND GAINS, NET

	2025 *HK$'000*	2024 *HK$'000*
Other income		
Interest income	**26,619**	20,239
Dividend income	**478**	49
Other rental income	**–**	191
Other service income	**324**	3,048
Management fee income	**6,275**	3,378
Government subsidies *(note (i))*	**214**	8,016
Sundry income	**5,064**	10,610
	38,974	45,531
Gains, net		
Foreign exchange gain, net	**1,110**	–
Gains on deregistration of subsidiaries, net	**–**	8
Gain on disposal of property, plant and equipment, net	**–**	1,131
Gain on disposal of a right-of-use asset	**75**	–
Gain on disposal of non-current assets classified as held for sale *(note (ii))*	**–**	81,855
Gain on disposal of subsidiaries, net	**–**	9,010
Gain on disposal of an associate	**–**	2,487
Gain on disposal of financial assets at fair value through profit or loss, net	**–**	171
Fair value gain of financial assets at fair value through profit or loss, net	**–**	3,544
Fair value gain of contingent considerations	**753**	–
Waiver of other payable	**–**	5,659
	1,938	103,865
Other income and gains, net	**40,912**	149,396

Notes:

(i) The amount represented subsidies received under the Anti-epidemic Fund and other support scheme in Hong Kong. All conditions relating to these grants have been fulfilled.

(ii) On 30 January 2023, the Group entered into a provisional sale and purchase agreement with an independent third party for disposal of a leasehold land under right-of-use assets at the consideration of HK$93,750,000.

The right-of-use asset was classified as a non-current asset classified as held for sale as at 31 March 2023. The transaction was completed on 28 April 2023. As a result of the transaction, a gain of HK$81,855,000 was recognised during the year ended 31 March 2024.

Further details of the transaction was set out in the Company's announcement dated 30 January 2023.

6. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	2025	2024
	HK$'000	*HK$'000*
Interest on:		
Bank borrowings	**193,870**	178,053
Lease liabilities	**2,406**	2,305
Total interest expenses	**196,276**	180,358
Amortisation of ancillary costs incurred in connection with the arrangement of bank loans	**18,426**	21,282
Total finance costs	**214,702**	201,640
Less: Amount included in cost of construction work	**(1,178)**	(2,398)
	213,524	199,242

7. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	2025	2024
	HK$'000	*HK$'000*
Cost of construction work	**7,507,668**	7,272,212
Cost of construction-related consultancy services provided	**77,134**	74,276
Cost of goods sold	**19,551**	15,670
Cost of security, tunnel management, property management and other facility management services provided	**1,053,999**	840,876
Depreciation of property, plant and equipment	**31,225**	37,820
Less: Amount included in cost of sales	**(24,159)**	(29,815)
	7,066	8,005
Depreciation of right-of-use assets	**37,243**	36,755
Less: Amount included in cost of sales	**(12,879)**	(12,409)
	24,364	24,346
Amortisation of intangible assets	**370**	370
Lease payments not included in the measurement of lease liabilities	**105,361**	69,632
Less: Amount included in cost of sales	**(102,676)**	(68,635)
	2,685	997
Auditor's remuneration	**5,326**	5,179
Foreign exchange (gain)/loss, net	**(1,110)**	1,175
Fair value loss/(gain) of financial assets at fair value through profit or loss, net	**12**	(3,544)
Loss/(gain) on deregistration of subsidiaries, net	**331**	(8)
Loss/(gain) on disposal of property, plant and equipment, net	**2,888**	(1,131)
Loss/(gain) on disposal of financial assets at fair value through profit or loss, net	**4,422**	(171)
Impairment of other receivables	**30,824**	10,040
Write-off of property, plant and equipment	**–**	2
Write-off of prepayment, deposits and other receivables	**–**	14,441

8. INCOME TAX

An analysis of the Group's income tax is as follows:

	2025	2024
	HK$'000	*HK$'000*
Current — Hong Kong		
Charge for the year	**34,272**	24,361
Over-provision in prior years	**(12,145)**	(18,239)
	22,127	6,122
Current — Mainland China		
Charge for the year	**976**	–
Current — Elsewhere		
Charge for the year	**3,503**	3,437
Deferred	**(381)**	2,423
Total tax expense for the year	**26,225**	11,982

Note: Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2024: HK$2,000,000) of the assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

9. DIVIDENDS

	2025	2024
	HK$'000	*HK$'000*
Interim — Nil (2024: HK1.13 cents per ordinary share)	**–**	20,190

The Board does not recommend the payment of a final dividend for the year ended 31 March 2025.

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit for the year attributable to shareholders of the Company and the weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the year.

No adjustment has been made to the basic (loss)/earnings per share amount presented as the share options of the Company outstanding during each of the years ended 31 March 2025 and 2024 had no diluting effect on the basic (loss)/earnings per share amount presented.

The calculation of the basic and diluted (loss)/earnings per share amounts is based on the following data:

(Loss)/earnings

	2025	2024
	HK$'000	*HK$'000*
(Loss)/profit for the year attributable to shareholders of the Company, used in the basic and diluted (loss)/earnings per share calculation	**(274,039)**	72,094

Number of shares

	2025	2024
Weighted average number of ordinary shares in issue during the year, used in the basic and diluted (loss)/earnings per share calculation	**1,794,945,270**	1,784,391,956

11. TRADE RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Trade receivables	**1,604,505**	967,973

The Group generally allows a credit period of not exceeding 60 days to its customers. Interim applications for progress payments on construction contracts are normally submitted on a monthly basis and are normally settled within one month.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically. The majority of the Group's trade receivables that are neither past due nor impaired relate to customers that have good credit quality with reference to the respective settlement history.

The ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	2025	2024
	HK$'000	*HK$'000*
Within 1 month	**1,353,968**	738,492
1 to 2 months	**149,902**	125,255
2 to 3 months	**37,508**	24,008
Over 3 months	**63,127**	80,218
	1,604,505	967,973

12. TRADE AND BILLS PAYABLES

	2025	2024
	HK$'000	*HK$'000*
Trade payables	**897,770**	1,221,518
Retention payables	**711,278**	694,574
Bills payable	**42,840**	–
	1,651,888	1,916,092

The Group's trade payables are non-interest bearing and are normally settled on 30-day terms.

An ageing analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
	HK$'000	*HK$'000*
Within 1 month	**244,850**	652,308
1 to 2 months	**133,695**	111,331
2 to 3 months	**88,636**	67,338
Over 3 months	**430,589**	390,541
	897,770	1,221,518

13. BANK BORROWINGS

At 31 March 2025, the Group did not comply with a financial covenant of bank borrowings with outstanding balances of HK$2,358,319,000 (2024: HK$1,091,712,000) and hence the bank borrowings were repayable on demand and classified as current liabilities. Consent waivers of non-compliance with the financial covenant have been received by the Group subsequent to the reporting period.

14. SHARE CAPITAL

	Number of ordinary shares in issue	Issued capital	Share premium account	Total
		HK$'000	*HK$'000*	*HK$'000*
At 1 April 2023	1,796,231,847	179,623	739,410	919,033
Cancellation of repurchased shares	(10,440,000)	(1,044)	(4,321)	(5,365)
At 31 March 2024 and 1 April 2024	1,785,791,847	178,579	735,089	913,668
Issue of shares	95,007,857	9,501	32,303	41,804
Cancellation of repurchased shares	(16,558,000)	(1,656)	(5,923)	(7,579)
At 31 March 2025	1,864,241,704	186,424	761,469	947,893

During the year, the Company repurchased 22,130,000 (2024: 10,440,000) ordinary shares in total on the Stock Exchange at an aggregate consideration of approximately HK$10,045,000 (2024: HK$5,365,000) and 16,558,000 (2024: 10,440,000) ordinary shares were subsequently cancelled before the year end date. The premium of approximately HK$5,923,000 (2024: HK$4,321,000) paid over the nominal value on the repurchases of these shares was debited to the share premium account. The consideration paid on the repurchase of 5,572,000 ordinary shares not yet cancelled as at 31 March 2025 was debited to the treasury shares. These 5,572,000 ordinary shares, together with the 1,530,000 ordinary shares repurchased by the Company for an aggregate consideration of approximately HK$684,060 after the reporting period in April 2025, were cancelled by the Company in June 2025. The repurchases were effected by the Directors with a view to benefiting the shareholders of the Company as a whole by enhancing the Company's net asset value and earnings per share.

15. BUSINESS COMBINATIONS

On 2 December 2024, an indirect wholly-owned subsidiary of the Company (the "Purchaser") and Yan Trade (BVI) Holding Limited (the "Vendor"), an independent third party of the Group, entered into a sale and purchase agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, 51% of the total issued share capital of Manbond Supply Chain (HK) Company Limited ("Manbond HK"). The consideration shall be settled by allotment and issuance of 95,007,857 consideration shares of the Company to Yan's Family (BVI) Holdings Limited (the "Designated Entity"), at the issue price of HK$0.50 per share, amounts to HK$47,503,928.50. Manbond HK and its subsidiaries (the "Manbond Group") is principally engaged in provision of construction material procurement.

Completion of the acquisition took place on 20 December 2024 and 95,007,857 new shares of the Company were allotted and issued to the Designated Entity in accordance with the terms and conditions of the sale and purchase agreement on completion date. Upon completion, the Company indirectly owns 51% of the issued share capital of Manbond HK and Manbond HK has become a non-wholly owned subsidiary of the Company.

Further details of the acquisition are set out in the announcements of the Company dated 2 December 2024, 13 December 2024 and 20 December 2024.

16. CONTINGENT LIABILITIES

At the end of the reporting period, the Group had the following contingent liabilities, which have not been provided for in the financial information:

(a) Corporate guarantees and performance bonds given

	2025	2024
	HK$'000	*HK$'000*
Indemnities issued to financial institutions for performance bonds in respect of construction and professional services contracts undertaken by:		
– subsidiaries	**783,923**	907,215
– joint operations	**70,342**	83,184
– a joint venture	**–**	32,939
	854,265	1,023,338
Guarantees issued to financial institutions to secure credit facilities granted to associates *(note (ii))*	**389,351**	513,151
	1,243,616	1,536,489

In addition to the above, corporate guarantees were provided by the Group to two parties to indemnify them any losses and liabilities that they may incur in connection with certain construction works of the Group in which the two parties have involvement. In the opinion of the Directors, the financial impact of the contingent liabilities that may arise from these arrangements is assessed to be minimal.

Notes:

(i) In the opinion of the Directors, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition and the possibility of the default of the parties involved is remote. Accordingly, no value has been recognised in the consolidated statement of financial position in respect of these financial guarantee contracts.

(ii) At 31 March 2025, the banking facilities granted to associates and guaranteed by the Group were utilised to the extent of HK$248,020,000 (2024: HK$356,423,000).

(b) Litigations

The legal proceedings arose out of four sets of Sale and Purchase Agreement dated 4 August 2011 and 3 March 2012 respectively (the "SPAs"), pursuant to which the Group purchased four flat-top barges (the "Vessels") from a plaintiff. The SPAs stipulated that the plaintiff should buy back the Vessels from the Group in the total consideration of HK$15,150,000 (the "Buyback") after 36 months from the Vessels' respective delivery dates (the "Buyback Dates"). The Buyback did not take place on the Buyback Dates nor after rounds of negotiations in 2015. In May 2018, the Group disposed of the Vessels to a third party.

In June 2021, the plaintiff commenced the legal proceedings alleging that the Group was in breach of the SPAs and claims, *inter alia*, for (i) loss of rental charges beyond the Buyback Dates and (ii) loss of the difference between the market price and buyback price of the Vessels.

The Group counterclaims against the plaintiff for, *inter alia*, (i) the difference between the buyback prices under the SPAs and the selling price to a third party and (ii) the costs of maintaining the Vessels beyond the Buyback Dates until disposal to the third party.

The plaintiff is now claiming losses and damages in the sum of approximately HK$9,511,000 against the Group while the Group is counterclaiming losses and damages in the sum of approximately HK$16,985,000.

On 30 August 2024, the Group and the plaintiff entered into an agreement in full and final settlement of the legal proceedings and all related matters. Pursuant to the settlement agreement, the Group and the plaintiff has procured their respective solicitors to file and serve a Consent Summons to the Court on 5 September 2024 to wholly discontinue the legal proceedings and to vacate the pre-trial fixed for 21 May 2025 and trial fixed for 8 to 18 September 2025, with no order as to costs for the legal proceedings. The Court has granted an order in terms on 9 September 2024.

17. PLEDGE OF ASSETS

The carrying amount of the assets pledged by the Group to secure the banking facilities granted to the Group as at the end of the reporting period are summarised as follows:

	2025	2024
	HK$'000	*HK$'000*
Property, plant and equipment	**36,325**	38,014
Investment in an insurance contract	**2,678**	2,616
Right-of-use assets	**99,640**	104,118
Bank deposits	**37,446**	34,718
	176,089	179,466

In addition to the above, as at 31 March 2025 and 2024, the Group has pledged the equity interest in a wholly-owned subsidiary to secure a banking facility granted to an associate.

18. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 14 to the financial information, there are no other significant events occurred subsequent to the reporting period.

BUSINESS REVIEW

During the Year, Hong Kong's economy continued to face pressure from global financial, trade, and geopolitical factors. Interest rates remained elevated, while the Group delivered stable performance, with total revenue reaching HK$9.06 billion (2024: HK$8.78 billion), representing a year-on-year increase of 3.1%. Net loss attributable to shareholders for the Year was approximately HK$274.0 million (2024: net profit attributable to shareholders of approximately HK$72.1 million). Meanwhile, cash balances for the end of the period rose by 25.5% year-on-year, and net debt declined by 5.6%. Despite the challenging environment, the Group maintained a solid financial foundation.

Hong Kong operates as a highly open economy in the international market. Since 2010, ultra-low interest rates — falling to as low as 0.5%—encouraged some investors and property developers to take leverage positions. However, from mid-2022, interest rates rose sharply and remained elevated into early 2025. As a result, there were increasing cases of borrowers being unable to meet their principal and interest obligations, placing additional pressure on the overall economy. This contributed to a downturn in the retail sector, sluggish property sales, and tightening liquidity across the real estate market, further exacerbating financial challenges.

During the financial year under review, the construction industry faced unprecedented challenges. Several prominent player ceased operations and exited the construction industry due to various operational and financial pressures, signalling the arrival of a new era with high volatility and transformation.

In 2018, at the peak of the price index of the property market, the Group have already adopted a prudent investment strategy by limiting its exposure to real estate and selective construction projects for private developers. At the same time, we put our focus on public infrastructure projects, through which we can contributed to Hong Kong's urban development and also enhanced the quality of our accounts receivables.

Moreover, aligned the Hong Kong's urban modernization policies, we has gradually accumulated some investments in lower-risk and enhancing quality of living projects such as professional services, non-franchised bus services and medical technology and healthcare. These initiatives helped stabilize the Group's cash flow and investment returns. Operating results for the period amounted to approximately HK$33.9 million (2024: loss of approximately HK$11.0 million), reflecting a significant year-on-year improvement.

Therefore, the Group has been focusing on three strategic targets since the beginning of the year: 1. Balanced Funding, 2. Sustainable improving in technology, services, and talent development, and 3. Maintaining market position and brand value.

Balanced Funding

During a period of global economic and financial uncertainty, and with Hong Kong's infrastructure projects growing in both scale and complexity, effective cash flow management and allocation of financial resources to various business priorities have become increasingly critical. Therefore, in the interim results announcement, the Group made strategic arrangements related to long-term contract assets. We took a proactive step to write off a small portion of a long overdue but remained unsolved project, then actively sought to reach settlement agreement on the larger portion of the full amount. Despite the final settlement and cash inflow being expected to materialize in the next financial year, our Cash Balance and Net Debt balance have reduced that from the previous year. Overall financial risk is under proper control.

Technology and Services

The Group's operations engage high precision technology and service standards. Regardless of the conditions of external economic pressures and operational risks, the Group maintains it's core principle to allocate the right amount of resources to enhance technologies that can enable us to achieve high precision in multiple types of projects design and planning; to ensure our equipment can complete jobs with highest quality in terms of completion time, safety, and 100% satisfying the design standards; all materials are strictly adhere to, or in many cases exceeded the required specifications. After all, ongoing talent development and a strong culture of teamwork and professionalism are essential to make all of the above possible.

Brand Image

As an open and internationally connected city, Hong Kong's market size is relatively small when comparing the scale of global markets. Therefore, it is a very demanding challenge for any local companies to maintain long term survival when competing with the global players, especially to the conventional industries. Competitors from overseas may have more experience and resources. In the middle of such a period of market turbulence, we recognise that both of our hardware and software ought to perform at the highest level to best present our competitive advantages.

To support ongoing investments in technology, services, and talent, the Group actively engages with key stakeholders to gain their recognition. We also collaborate with the Hong Kong government to share the results of the Group's latest technological researches and developments. These efforts reflect our commitment to advancing Hong Kong's urban modernization and improving the quality of life for its residents.

A strong brand impact is built upon a broad base of users who has accumulated in-depth awareness. Over the years, the Group's technical competence and outstanding service quality have earned the appreciation of customers and the public, generating a shared sense of pride on the domestic expertise in Hong Kong.

Our leadership in technology and service delivery goes beyond theory — it is practically applied in the real-world execution. From mountains to fields, underwater to sea shore areas, our construction competence enabling free-accessibilities everywhere, empowering economic growth, and contribute to a more efficient and vibrant city. Our public transport services operate reliably and on schedule; our residential developments provide safe and secure living environments; and our healthcare supplies the best precision-medicine for health diagnostics — all of which enhance the quality of life for the community and strengthen our reputation as a trusted contributor to urban life. The Group also actively organises diverse community programmes and promotes ESG and sustainable development initiatives, including youth education, employer-employee engagement, social harmony, and charitable campaigns, fostering close engagement with the public and leaving a lasting and meaningful impression.

Ultimately, public recognition of the Group's competence and contributions comes through direct experience with our landmark projects and reliable services. Our long-standing commitment to excellence has earned the trust of our clients, a key driver behind the Group's ability to consistently secure long-term business contracts.

We are recognised as one of the contractors with the lowest accident rates in the construction industry. Over the years, we have maintained a stable portfolio of government infrastructure contracts and established long-term, collaborative relationships with joint venture partners. Project progress and capital flows have always been smooth, with no unreasonable delays. Across the entire project and service delivery chain, stakeholders and our employees work closely together in an environment of mutual trust and support.

As such, beyond our strengths in technology and service standards, the Group remains confident in its continued transformation and future development.

In light of the above, we will actively ride on the new era of technology to drive the adoption of innovative solutions. This includes enhancing our capabilities in financial management, design and planning, construction and quality control, as well as the implementation of smart services. Through these efforts, we aim to maintain our long-term leadership in technology, service, and management capability.

We will also adopt efficient communication channels to continuously strengthen our brand image and build trust with customers, the government, partners, and target audiences. As Xia Baolong, Director of Hong Kong and Macao Work Office of CPC Central Committee and Hong Kong and Macao Affairs Office of State Council, recently encouraged during his visit to Hong Kong, local enterprises should strive to grow bigger and stronger. We are fully committed and passionate about realizing this vision and goal.

Construction

The construction segment, which operates under the renowned "Chun Wo" brand, generated HK$7.88 billion (2024: HK$7.89 billion) in revenue for the Year. The segment profit amounted to HK$52.4 million (2024: HK$306.2 million). As at the end of the financial year, the Group held an aggregated contract sum of HK$35.46 billion (2024: HK$33.67 billion), of which HK$20.40 billion (2024: HK$21.04 billion) being the outstanding ongoing contracts.

The Group was able to secure 17 new projects, with total contract value HK$6.2 billion during the Year, including (among others) two major public works contracts related to the Northern Metropolis Development, such as Kwu Tung North New Development Area, Remaining Phase: Improvement Works of Tai Tau Leng Roundabout and Po Shek Wu Road and Associated Works; Hung Shui Kiu/Ha Tsuen New Development Area Second Phase Development — Contract 2 — Fresh Water Service Reservoir and Associated Mainlaying Works by the Civil Engineering and Development Department; Construction and Rehabilitation of Sewage Rising Mains in Southern District; Drainage Improvement Works in Kowloon City by the Drainage Services Department; Proposed New Headquarters and Youth Hostel at Kowloon Inland Lot No. 11128 for The Hong Kong Girl Guides Association.

There were a total of 49 projects in progress as at 31 March 2025, including Demolition, Foundation, Superstructure and Associated Works Contract for Redevelopment of Kwong Wah Hospital (Phase 2); In-situ Reprovisioning of Sha Tin Water Treatment Works (South Works) — Administration Building; Development of Anderson Road Quarry Site — Road Improvement Works and Pedestrian Connectivity Facilities Works Phase 2A; Development of Lok Ma Chau Loop: Main Works Package 1 — Contract 1 Site Formation and Infrastructure Works inside Lok Ma Chau Loop and Western Connection Road Phase 1; Fanling North New Development Area, Phase 1: Fanling Bypass Eastern Section (Shek Wu San Tsuen North to Lung Yeuk Tau) and Relocation of Diamond Hill Fresh Water and Salt Water Service Reservoirs to Caverns.

The Group has also completed 13 projects during the Year, including Site Formation and Infrastructure Works for Development of Anderson Road Quarry Site; Shek Wu Hui Effluent Polishing Plant — Main Works Stage 1 — Civil Works for Sewage Treatment Facilities; Shek Wu Hui Effluent Polishing Plant — Main Works Stage 1 — Civil Works for Sludge Treatment Facilities and 132kV Primary Substation.

To mitigate risks in the private sector, the Group significantly reduced its undertaking of private contracts several years ago. Currently, the majority of contracts are secured from public sector clients. In light of the above, management decided to expand the civil engineering division from three to four business units in anticipation of rising demand for infrastructure projects. Despite market challenges, the construction industry in Hong Kong continues to demonstrate resilience, underpinned by sustained government investment in infrastructure development and sustainable building projects.

Property Development and Assets Leasing

In the 2024/25 financial year, the segment delivered stable performance in the property development and asset leasing sector during the Year. However, the macro-economic environment was affected by multiple challenges — including uncertain international trade, inflationary pressures, and geopolitical instability. With GDP growth forecasts remaining modest, declining in private consumption, and a sluggish commercial property market, the segment adopted a prudent and cautious operating strategy. This included pausing new land acquisitions, concentrating resources on cash flow generating projects, and supporting the financial stability of key business partners.

Key Project Performance

- **128 Waterloo, Ho Man Tin:** This high-end residential project delivered an outstanding performance. As of the end of the financial year, approximately 80% of units was sold, reflecting a sustained demand for premium housing.

- **SOYO, Mong Kok:** Located in the heart of Kowloon, the project benefits from its prime location value and excellent connectivity to a full range of leisure, cultural, and entertainment amenities. Since its launch, sales have been strong with approximately 70% of units sold. The project was delivered on schedule in Q3 2024 and contributed positive cash flow to the Group.

- **437–447 Castle Peak Road, Cheung Sha Wan:** This redevelopment project is progressing smoothly and is scheduled for completion in Q3 2025.

The Group maintains rigorous financial risk controls. All of the above are joint venture projects in which the Group holds only 40% interest.

Professional Services

This segment covers security and property management services for both public and private developments, as well as tunnel operations, clubhouse management, and other facility-related management services. It consists of two subsidiaries under the Group:

1. City Services Group Limited (City)

2. Modern Living Investments Holdings Limited (Modern Living)

In 2024, the Group made an investment in Modern Living. Overall, the segment's performance during the Year reflected the benefits of the collaboration, with total revenue reaching HK$1.13 billion, representing a 32% year-on-year increase. Segment results contributed HK$15.6 million, reflecting steady business growth.

Customer Network and Business Expansion

This segment remains customer-centric and is committed to delivering high-quality services.

Under the public housing property management, the Group currently oversees 17 public rental housing estates and 7 Home Ownership Scheme estates, covering more than 60,000 units. With the government's plan to build approximately 360,000 public housing units by 2032/33, there remains substantial room for further expansion. Our private client portfolio spans several key sectors, including long-term partnerships with the Hong Kong Jockey Club, the Hong Kong University of Science and Technology, and various large-scale residential developments — all of which contribute stable cash flows. During the Year, we successfully renewed major contracts with Hong Kong Baptist University, The Wai, and Festival City. We also secured new professional service contracts for residential projects such as Harbour Green, Wings at Sea, and MALIBU, further expanding our market share.

By combining the advantages and expertise of both subsidiaries, the Group has achieved strategic success and enhanced its overall market presence.

Technological Innovation and Smart Upgrades

Our investment in artificial intelligence and Internet of Things (IoT) solutions has laid a solid foundation for managing future large-scale infrastructure projects. This business segment is actively embracing digital transformation. We have launched a self-developed mobile application that integrates with smart system upgrades to streamline workflows, significantly enhancing work order processing efficiency while effectively controlling operational costs.

ESG Commitment and Sustainability

Environment, Social, and Governance (ESG) are the key elements of this segment's strategy. Since 2021, we have actively implemented sustainability measures and achieved significant results. In 2024, we received the Hong Kong Environmental Excellence Award — Merit Award and the Outstanding Promotion Partner Award, a demonstration of our efforts in environmental protection and social responsibility. We have also set clear annual emission reduction targets. Additionally, we value the importance of employee development, with an average training time of 18 hours per year, providing strong support for the team's professional growth.

Non-Franchised Bus Services

The non-franchised bus services segment is operated by Chun Wo Bus Services Limited ("Chun Wo Bus"). The profit for the Year was recorded at HK$6.7 million (2024: HK$5.4 million). It has maintained a steadily growth rate of 24%.

Despite continued pressure from high interest rates during the Year, the Group maintained a strong and diversified client portfolio, including several well-known institutions, schools, and property management companies. We remained committed to delivering the best possible services to the community.

Meanwhile, the number of Mainland and international visitors to Hong Kong gradually returned to pre-pandemic levels, reaching 45 million in 2024, a 31% year-on-year increase. As expectations for tour bus service quality continued to rise, Chun Wo Bus consistently met customer needs through its longstanding reputation for reliable and high-quality service.

Medical Technology and Healthcare

The Medical Technology and Healthcare segment is a wholly owned Hong Kong-registered company under the AAI Group, Hong Kong Cyclotron Laboratories Limited ("HKCL"). It specializes in the production of positron emission tomography ("PET") radiopharmaceuticals and operates one of the largest distribution networks for PET radiopharmaceutical in Hong Kong.

In the current financial Year, HKCL achieved 16% revenue growth, with revenue reaching HK$45.9 million (2024: HK$39.6 million). This growth was primarily driven by the segment's high-quality products and services, which continue to earn the trust of several prestigious clients, including the Hong Kong Hospital Authority, The Chinese University of Hong Kong Medical Centre, and various medical imaging centers. Key products such as fluorodeoxyglucose (FDG) and prostate-specific membrane antigen (PSMA) radiopharmaceuticals have maintained steady demand growth in the market.

Profit remained stable at HK$11.6 million (2024: HK$10.6 million), partly due to initial costs associated with new capacity expansion during the Year, while revenue is expected to gradually contribute in the coming year.

Other Business

During the Year, Mattex Asia Development Limited ("Mattex") continued to extend the digitalization of the building materials industry. Its online procurement and management platform has significantly enhanced contractors' purchasing efficiency and cost-effectiveness through optimized intelligent pricing mechanisms and supplier management systems. To build an end-to-end intelligent solution, Mattex launched digital engineering supervision and smart site monitoring systems that enable visible oversight of construction workflows and risk alerts, effectively strengthening project quality control and safety standards.

In terms of vertical integration of the supply chain, the Group strategically acquired Manbond Supply Chain (HK) Company Limited ("Manbond"), thereby improving its industry positioning. Manbond's wholly owned subsidiary focuses primarily on provision of construction material procurement. This move marks the Group's formal establishment of a service ecosystem featuring "online procurement collaboration, empowered engineering management, and secured supply chain delivery," providing comprehensive digital support for all stakeholders in the construction industry chain and consolidating the Group's differentiated competitive edge in the market.

OUTLOOK AND PROSPECTS

Construction

Looking ahead to 2025, talent supply is expected to improve. The construction business sector is thus actively assessing employee skill levels and considering the recruitment of more high-caliber professionals to enhance overall competitiveness. Meanwhile the Group is also reviewing its work structure, planning to streamline processes to maintain a lean yet efficient organizational and functional model. Cost control remains a key focus for the construction business sector to reduce overall operating expenses. In line with recent government directives on cost-saving measures, management encourages project teams to propose design or construction solutions that reduce cost. Several ongoing projects have already achieved savings amounting to tens of millions of HK dollars through such initiatives. In the coming year, management will intensify efforts to promote innovative cost-saving approaches, as these represent the most direct means of improving project profitability.

Management recognizes the significant increase in construction activity, supported by a robust reserve of infrastructure projects. The HKSAR Government's commitment to expanding public housing, upgrading existing hospital facilities, and delivering the 20-year "Northern Metropolis" development plan is expected to serve as a new engine of growth for Hong Kong — creating major opportunities for both the construction industry and the Group.

1. *Potential Benefits of the Northern Metropolis Project*

   The development of the Northern Metropolis is crucial to Hong Kong's infrastructure. It not only addresses land scarcity issues but also provides vast space for new infrastructure projects. By implementing the strategy of "industry-driven development with infrastructure as a precursor," it aims to build an innovative tech corridor that boosts the tech sector, supporting Hong Kong in becoming an international hub for innovation and technology. Moreover, it will facilitate cross-border transportation and port connection upgrades, strengthening the integration between Hong Kong and Shenzhen, and enabling Hong Kong to better integrate into the development of the Greater Bay Area. This will further enhance regional connectivity and elevate Hong Kong's overall competitiveness.

   Our construction business segment has become increasingly involved in the infrastructure development of the Northern Metropolis, and has secured multiple new public construction contracts related to this initiative. These projects will serve as the testimonial of our participation in the largest-scale infrastructure development in Hong Kong history. The entire team at Chun Wo is proud of this achievement.

2. *Technology Cooperation and Support*

An echo to the Hong Kong government's regime on promoting construction innovation, our Fanling Bypass project has assembled various experts from international design consultant, the Hong Kong Polytechnic University, Tsing Hua University, structural steel fabricator in the mainland together, they design, fabricate, transport and install the world first ever ultra-high grade steel (S960) footbridge. Compared to traditionally adopted steel grade of 355 or 460, this footbridge is built of steel grade 960, Whole strength more than double that of traditional steelwork. The techniques involved in designing and fabrication were second to none in the world, as we are the pioneer of this, who has created benchmark for the industry. Due to its lightweight nature which further reduce the extent of foundation required, the adoption of this ultra-high grade steel in footbridge in the project mitigated most of the risks associated with the complexity of the underground conditions. This marks a major milestone of technical excellence of Chun Wo, as well as contributing to the construction innovation regime of the Hong Kong government.

Based on the government's latest budget forecast and its pledged public infrastructure works spending over the next five years, the Group's management is confident in the outlook for its civil engineering business segment.

Property Development and Asset Leasing

While continuing to promote project development, the segment has achieved significant breakthroughs in its strategic transformation to enhance long-term resilience and profitability. In response to the evolving consumption patterns and economic uncertainties, the segment is actively adjusting its asset allocation strategy, focusing on developing high-quality asset classes with stable cash flow, strengthening sustainable development capabilities, and bringing long-term returns to shareholders.

The Hong Kong Government's Policy developments in 2024 benefited the market, including stamp duty reductions for properties priced below HK$4 million and the removal of additional stamp duties. Such measures have stimulated activity in the Group's small-unit segment, leading to a notable rebound in residential transactions. However, retail property sales remained weak, as the overall recovery was hindered by declining individual consumption and shifts in mainland's shopping patterns. That said, the expansion of the multiple-entry Individual Visit Scheme (IVS) for more cities has led to a gradual recovery in the number of tourists visiting Hong Kong, and the segment remains cautiously optimistic about the market outlook.

Looking ahead, the segment has formulated short-term, mid-term, and long-term strategic plans. In the short term, the segment will focus on promoting sales of 128 Waterloo and SOYO units to achieve strong cash inflow, and at the same time actively seize opportunities from market adjustments by investing in high-quality properties with appreciation potential to enhance asset value. The Tung Chung land development plan will proceed steadily, and is expected to generate substantial profit for the Group. For the mid-term goal, the Group plans to expand its portfolio of high-yield operational assets to create stable income streams, which can in turn enhance financial resilience and support long-term growth.

In sum, during the 2024/2025 financial year, the segment has maintained stability amidst a challenging economic environment. With the collective efforts of our employees to reduce costs and the prioritization of selling unused inventory to strengthen cash flow, the Group has achieved solid results. The Group possesses extensive property development experience, flexible asset allocation capabilities, and sharp market decision-making skills, all of which enables it to respond to market changes swiftly and maintain its competitive edge. In cooperation with the Group, the segment is fully committed to maximizing shareholder's value, aligning with Hong Kong's development goals, and promoting technological innovation, regional collaboration, and sustainable development. Looking forward, the Group will continue to deepen its short-term, mid-term, and long-term strategic plans to ensure a robust capital structure, create a long-term return mechanism, and deliver continuous value to shareholders and the society.

Professional Services

The segment will continue to uphold the principles of innovation, sustainability, and efficient operations to create long-term value for shareholders as well as more contribution to the society. We firmly believe that through relentless effort and strategic planning, the segment will achieve greater success in the professional services sector.

Strategic Outlook and Future Plans

The segment will adopt a cautious yet proactive approach towards the challenges of geopolitics, labor shortages, and rising costs. We plan to further align with Hong Kong's "Smart City" and "Northern Metropolis" development strategies, exploring collaboration opportunities with innovation hubs such as the Hong Kong Science Park and Cyberport. In terms of expansion within the Greater Bay Area, we will actively connect with the founding members of the Hong Kong Greater Bay Area Property and Facility Management Association to support business development in this strategic region. Additionally, we will continue to improve our compliance and disclosure mechanisms to ensure transparency and accuracy of information, thereby enhancing investor confidence.

Technological Innovation and Sustainable Development

We will continue to increase our investment in research and development, exploring more innovative technology applications to maintain our industry-leading position. At the same time, we will further promote ESG initiatives, reduce carbon emissions, and strengthen employee training and development to lay a solid foundation for future business expansion and sustainable growth.

Non-franchised Bus Services

The segment will continue to optimize its service system by leveraging a digital bus dispatching system to improve resource utilization and cost efficiency. The management team will review operational strategies and flexibly adjust resource allocation based on market dynamics and customer feedback. Thereby enhancing service quality through accurately aligning with the diverse needs of different customer groups. It will further strengthening the existing market foundation. This initiative aims to consolidate our core business competitiveness while systematically exploring potential market opportunities to drive the overall business development.

Medical Technology and Healthcare

Driven by both the aging population and the growing demand for precision medicine in Hong Kong, the Hong Kong government is actively expanding disease screening programs, which in turn has increased the development potential of the PET radiopharmaceutical market. As such, the segment remains optimistic about the future demand growth for our business.

As a leading player in Hong Kong, HKCL will continue to support the government's "Healthy Aging Initiative" for Hong Kong citizens. It will enhance its technological capabilities and production capacity, train personnel on safety and service-related skills, further solidify HKCL's market leadership position, and create opportunities to improve its financial performance. With thorough preparation, the Group is well-positioned to capitalize on emerging opportunities in the medical technology and healthcare sector.

Earlier this year, HKCL successfully signed a strategic cooperation agreement with GE Healthcare in producing the patented tracer for Alzheimer's disease, i.e. 18F-Flutemetamol, in Hong Kong, which positioned the Company at the forefront of advanced PET tracer R&D and production. With the launching of new patented tracer, HKCL will further expand its customer base and increase the Company's profitability.

Meanwhile, the launch of the second laboratory will gradually increase HKCL's production capacity and diversify its portfolio to cover more medicines for different diseases. HKCL plans to develop local demand for special isotopes simultaneously, including carbon-11 (C11) and gallium-68 (Ga68) tracers, to actively address the supply-demand dynamics in the market. This initiative is expected to strengthen the Company's market position and generate new growth and profit avenues.

Furthermore, while continuing to develop the local market, HKCL will actively align with the "Integration into National Development" strategy, prioritizing the expansion into the Greater Bay Area and Southeast Asia for developing neighboring markets. Innovation remains at the core of HKCL's strategy to consolidate and expand its leadership in the nuclear medicine imaging market. Management is confident that with a strong financial position, a professional team, and forward-looking product strategies, the Company can effectively respond to market challenges, achieve sustainable growth, and create long-term value for shareholders.

Other Businesses

The Group will continue to advance the development of its other business segments, actively pursuing suitable investment and partnership opportunities to catch up with emerging trends. Our objective is to achieve long-term business growth to further enhance our shareholders' value.

Conclusion

Based on an objective assessment, the chaotic international political environment will last for at least three years or longer. Hong Kong must remain united and work together to avoid overcome internal and external troubles. It must also focus on the direction of "governing for prosperity" and concentrate its efforts on actively developing the financial and new technology economy.

There are immediate needs for Hong Kong to identify its new trading markets. Beyond its traditional focus on the Americas and Europe, the new direction lies in Asia, the Greater Bay Area, and the vast domestic market in Mainland China.

Moreover, both the retail and real estate sectors are facing growing pressure to deliver better "price-performance ratio". They need to deal with such lasting challenges, and must transform both in business structures and operational practices. In contrast, Hong Kong's public infrastructure business is expected to remain stable in scale. We may be able to increase our market share in the coming year since some of the construction companies had already been phased out during the first stage of industry reform due to financial management shortcomings. The next stage will like be the challenges of higher engineering safety standards and technological capabilities, where innovation and AI technologies are evolving rapidly every day.

LIQUIDITY AND FINANCIAL RESOURCES

The financial position of the Group remained stable during the Year. The Group operates a centralised treasury function to monitor its cash position, cash flow and funding requirements, that mainly relies upon internally generated funds as well as bank borrowings to finance its operations and expansion, which is supplemented by equity funding when it is required.

At 31 March 2025, the total net debts of the Group amounted to approximately HK$2,088.3 million, representing total debts of approximately HK$3,331.5 million less total cash and bank balances of approximately HK$1,243.2 million. The debt maturity profile, based on scheduled repayment dates set out in loan agreements of the Group at 31 March 2025, is analysed as follows:

	As at 31 March 2025 *HK$ million*	As at 31 March 2024 *HK$ million*
Bank borrowings and lease liabilities repayable:		
Within one year or on demand	**2,377.8**	1,092.0
After one year, but within two years		
– On demand shown under current liabilities	**892.4**	315.3
– Remaining balances	**22.0**	1,007.0
After two years, but within five years		
– On demand shown under current liabilities	**–**	776.4
– Remaining balances	**31.3**	10.1
Over five years	**8.0**	1.3
Total debts	**3,331.5**	3,202.1

The Group has continued to implement a prudent financial management policy, at 31 March 2025, the gearing ratio of the Group, being the proportion of net interest bearing debts to equity attributable to Shareholders, was 0.94 (2024: 0.90).

At 31 March 2025, the Group did not comply with a financial covenant of bank borrowings with outstanding balances of HK$2,358.3 million and hence the bank borrowings were classified as current liabilities and included in the "Within one year or on demand" and "On demand shown under current liabilities" under "After one year, but within two years" time bands disclosed above. Consent waivers of non-compliance with the financial covenant have been received by the Group subsequent to the reporting period.

To minimise exposure on foreign exchange fluctuations, the Group's bank borrowings and cash balances are primarily denominated in Hong Kong dollars or Renminbi which are the same as the functional currency of the relevant group entities. The Group has no significant exposure to foreign exchange rate fluctuations and shall use derivative contracts to hedge against its exposure to currency risk only when it is required. Furthermore, the Group's bank borrowings have not been hedged by any interest rate financial instruments.

CONTINGENT LIABILITIES

Details of the contingent liabilities of the Group are set out in Note 16 to the annual results.

PLEDGE OF ASSETS

Details of the pledge of assets of the Group are set out in Note 17 to the annual results.

EMPLOYEE AND REMUNERATION POLICIES

The Group had approximately 7,528 employees as at 31 March 2025. Total remuneration of employees for the Year amounted to approximately HK$1,980.2 million. Employees are remunerated according to their nature of work and the market trend, with merit-based components incorporated in the annual increment review to reward and motivate individual performance. Employee bonus is distributable based on the performance of the respective divisions and the employees concerned. Moreover, the Group also provides in-house training program and sponsorship for external training courses which are complementary to their job functions.

To provide incentive for employees to achieve performance goals, the Company adopted the restricted share award scheme (the "Share Award Scheme") on 1 August 2017, pursuant to which the Company may grant to eligible participants restricted shares of the Company, which will align the interests of employees directly to the Shareholders through ownership of shares of the Company. Such grant shares are acquired by the scheme trustee on the market of the Stock Exchange and held upon trust for the benefit of the grantees and shall become vested in the grantees upon satisfaction of specified vesting criteria.

In addition, the Company had also adopted a share option scheme (the "Share Option Scheme"), under which the Directors are authorised to grant share options to the eligible participants to subscribe for shares of the Company for the purpose of, among other things, providing incentives and rewards to, and recognising the contributions of, the eligible participants. The Share Option Scheme is valid and effective for a period of 10 years commencing on 3 September 2012 and expired on 2 September 2022, after which no further share options shall be offered or granted but the share options granted prior to the expiry date shall continue to be valid and excisable in accordance with the provisions of the Share Option Scheme.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2023/24: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 20 August 2025 to Tuesday, 26 August 2025, both days inclusive, during which period no transfer of shares will be registered, to determine the entitlement of shareholders to attend and vote at the 2025 Annual General Meeting. All transfers, accompanied by the relevant share certificates, must be lodged with the Hong Kong Branch Share Registrar of the Company, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 pm on Tuesday, 19 August 2025.

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

During the Year, the Company repurchased 22,130,000 shares of the Company at an aggregate consideration of HK$10,045,150 (before expenses) on the Stock Exchange. Among the repurchased shares, 16,558,000 shares were cancelled during the Year and the remaining shares were cancelled in June 2025.

Particulars of the repurchase during the Year are as follows:

Months of share repurchase	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate consideration paid (before expenses)
		HK$	*HK$*	*HK$*
2024				
April	3,460,000	0.48	0.47	1,649,940
June	1,464,000	0.46	0.46	673,440
July	4,724,000	0.46	0.44	2,141,830
August	3,388,000	0.455	0.44	1,523,320
September	2,050,000	0.45	0.45	922,500
October	1,472,000	0.46	0.45	667,920
December	2,296,000	0.445	0.44	1,012,690
2025				
January	1,722,000	0.45	0.435	755,830
February	974,000	0.465	0.44	438,320
March	580,000	0.465	0.44	259,360
Total	22,130,000			10,045,150

The Directors considered that the repurchases were made with a view to enhancing the net asset value per share and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions of the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the Year.

Further information of the Company's corporate governance practices will be disclosed in the Corporate Governance Report contained in the Company's 2024/25 Annual Report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, after a specific enquiry made by the Company, that they have fully complied with the required standard set out in the Model Code throughout the Year.

EVENTS AFTER THE REPORTING PERIOD

Details of the events of the Group after the reporting period are set out in Note 18 to the annual results.

AUDIT COMMITTEE REVIEW

The Audit Committee of the Board (the "Audit Committee") comprises five members, namely Mr. Wu William Wai Leung (Chairman of the Audit Committee), Ms. Wong Wendy Dick Yee, Dr. Yim Yuk Lun, Stanley, Mr. Lam Yau Fung, Curt and Mr. Ho Gilbert Chi Hang, all being Non-executive Directors or Independent Non-executive Directors. The Audit Committee has reviewed with the management and given its consent to the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the annual results of the Group for the Year.

SCOPE OF WORK OF THE COMPANY'S AUDITOR IN RESPECT OF THE PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Company's auditor, Ernst & Young ("EY") to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by EY in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by EY on this announcement.

By Order of the Board
ASIA ALLIED INFRASTRUCTURE HOLDINGS LIMITED
Pang Yat Ting, Dominic
Chairman

Hong Kong, 26 June 2025

As at the date of this announcement, the executive directors of the Company are Mr. Pang Yat Ting, Dominic, Mr. Xu Jianhua, Jerry and Ir Dr. Pang Yat Bond, Derrick JP, the non-executive directors of the Company are Ms. Wong Wendy Dick Yee and Dr. Yim Yuk Lun, Stanley SBS BBS JP, and the independent non-executive directors of the Company are Mr. Wu William Wai Leung, Mr. Lam Yau Fung, Curt, Mr. Ho Gilbert Chi Hang and Dr. Yen Gordon.