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RONGZUN INTERNATIONAL HOLDINGS GROUP LIMITED

榮尊國際控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1780)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the year ended 31 March 2025 amounted to approximately HK\$88.4 million (2024: approximately HK\$229.9 million).
- Gross profit margin of the Group for the year ended 31 March 2025 was at approximately 4.7% (2024: approximately 1.9%).
- Loss before tax of the Group for the year ended 31 March 2025 was approximately HK\$9.5 million (2024: Loss before tax of approximately HK\$9.3 million).
- Loss of the Group for the year ended 31 March 2025 amounted to approximately HK\$9.5 million (2024: Loss of the Group of approximately HK\$9.3 million).
- Basic loss per share for the year ended 31 March 2025 amounted to approximately HK1.54 cents (2024: Basic loss per share of approximately HK1.50 cents).
- The Board has recommended to pay a final dividend of HK4.0 cents per share for the year ended 31 March 2025 (2024: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Rongzun International Holdings Group Limited (the “**Company**”) is pleased to present the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2025, together with the comparative figures for the corresponding year ended 31 March 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

| | | 2025 | 2024 |
|---|--------------|------------------------|-----------------|
| | <i>Notes</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Revenue | 3, 4 | 88,375 | 229,916 |
| Direct costs | | (84,199) | (225,494) |
| Gross profit | | 4,176 | 4,422 |
| Other income | | 1,836 | 2,673 |
| Other gains and losses, net | | 138 | (37) |
| Reversal of (allowance for) impairment losses under expected credit loss model, net | | 854 | (85) |
| Administrative expenses | | (16,546) | (16,287) |
| Finance cost | | (3) | (10) |
| Loss before tax | 6 | (9,545) | (9,324) |
| Income tax expense | 5 | – | – |
| Loss for the year | | (9,545) | (9,324) |
| Other comprehensive expense for the year | | | |
| <i>Item that will not be reclassified to profit or loss</i> | | | |
| Fair value loss on equity instrument at fair value through other comprehensive income (“ FVTOCI ”) | | (13,000) | – |
| Total comprehensive expense for the year | | (22,545) | 9,324 |
| Loss per share | 8 | | |
| – Basic (HK cents) | | (1.54) | (1.50) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

| | <i>Notes</i> | 2025 HK\$'000 | 2024 <i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| Non-current assets | | | |
| Property, plant and equipment | | 975 | 1,571 |
| Right-of-use asset | | – | 119 |
| Equity instrument designated at FVTOCI | <i>9</i> | – | 13,000 |
| Deposits paid | <i>10</i> | 15,917 | – |
| Restricted bank deposits | | – | 2,490 |
| | | 16,892 | 17,180 |
| Current assets | | | |
| Trade and other receivables, deposits and prepayments | <i>10</i> | 9,518 | 30,546 |
| Contract assets | | 38,434 | 53,056 |
| Restricted bank deposits | | 2,490 | 24,199 |
| Cash and cash equivalents | | 129,905 | 123,949 |
| | | 180,347 | 231,750 |
| Current liabilities | | | |
| Trade, retention and other payables | <i>11</i> | 30,609 | 59,665 |
| Contract liabilities | | – | 30 |
| Amount due to a related company | | 1,943 | 1,943 |
| Lease liability | | – | 123 |
| Deferred income | | 136 | 73 |
| | | 32,688 | 61,834 |
| Net current assets | | 147,659 | 169,916 |
| Net assets | | 164,551 | 187,096 |
| Capital and reserves | | | |
| Share capital | | 6,200 | 6,200 |
| Reserves | | 158,351 | 180,896 |
| Total equity | | 164,551 | 187,096 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

Rongzun International Holdings Group Limited, previously known as B & D Strategic Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 24 April 2018 and its shares have been listed on Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 30 April 2019. Its registered office is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is located at Room 2803-2803A, Asia Trade Centre, 79 Lei Muk Road, Kwai Chung, New Territories, Hong Kong.

The Company is an investment holding company. The businesses of the Company and its subsidiaries (collectively referred to as the “**Group**”) are mainly conducted through three major operating subsidiaries, namely, (i) Ka Shun Civil Engineering Company Limited (“**Ka Shun Civil Engineering**”), (ii) Ka Shun Contractors Limited (“**Ka Shun Contractors**”); and (iii) Ka Construction Company Limited (“**Ka Construction**”); and are principally involved in provision of services on alteration and addition works (including alteration and addition of building layout and structural works that comprising design of new structural works, fitting-out works, changes in facilities configuration, construction of a new extension to existing buildings, conversion of an existing buildings, conversion of an existing building to different type, etc.) and civil engineering works in Hong Kong.

The ultimate controlling party of the Group is Mr. Kenichi Yanase starting from 11 September 2023. Before 11 September 2023, the ultimate controlling party of the Group was Mr. Tang Wing Kwok. In the opinion of the directors of the Company, the immediate and ultimate holding company of the Group is Kyosei Technology Inc., a company incorporated in the British Virgin Islands.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company and its subsidiaries.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

| | |
|----------------------------------|---|
| Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback |
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) |
| Amendments to HKAS 1 | Non-current Liabilities with Covenants |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements |

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

| | |
|--|--|
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments ³ |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature-dependent Electricity ³ |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹ |
| Amendments to HKFRS Accounting Standards | Annual Improvements to HKFRS Accounting Standards – Volume 11 ³ |
| Amendments to HKAS 21 | Lack of Exchangeability ² |
| HKFRS 18 | Presentation and Disclosure in Financial Statements ⁴ |

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2025

³ Effective for annual periods beginning on or after 1 January 2026

⁴ Effective for annual periods beginning on or after 1 January 2027

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improves aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. REVENUE

Disaggregation of revenue from contracts with customers

Revenue of the Group represents the fair value of amounts received and receivable from the provision of services on alteration and addition works and civil engineering works in Hong Kong (all recognised over time under construction contracts in Hong Kong) during the year.

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Contract revenue from provision of services on alteration and addition works | 47,350 | 128,911 |
| Contract revenue from provision of services on civil engineering works | <u>41,025</u> | <u>101,005</u> |
| | <u>88,375</u> | <u>229,916</u> |

4. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the “CODM”), the executive directors of the Company, in order for CODM to allocate resources and assess performance. No operating segments identified by the CODM have been aggregated in arriving at the reporting segments of the Group.

Specifically, the Group’s reporting and operating segments under HKFRS 8 “Operating Segments” are as follows:

- Alteration and addition works; and
- Civil engineering works.

The CODM makes decisions according to the operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Segment revenue and results

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

For the year ended 31 March 2025

| | Alteration and addition works HK\$'000 | Civil engineering works HK\$'000 | Total HK\$'000 |
|--|---|---|---------------------------|
| Segment revenue – external | <u>47,350</u> | <u>41,025</u> | <u>88,375</u> |
| Segment results | <u>(11,500)</u> | <u>16,530</u> | 5,030 |
| Other income and other gains and losses, net | | | 1,974 |
| Administrative expenses | | | (16,546) |
| Finance cost | | | <u>(3)</u> |
| Loss before tax | | | <u>(9,545)</u> |

For the year ended 31 March 2024

| | Alteration and addition works HK\$'000 | Civil engineering works HK\$'000 | Total HK\$'000 |
|--|---|---|---------------------------|
| Segment revenue – external | <u>128,911</u> | <u>101,005</u> | <u>229,916</u> |
| Segment results | <u>8,751</u> | <u>(4,414)</u> | 4,337 |
| Other income and other gains and losses, net | | | 2,636 |
| Administrative expenses | | | (16,287) |
| Finance cost | | | <u>(10)</u> |
| Loss before tax | | | <u>(9,324)</u> |

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment results represent the loss before tax earned by each segment without allocation of certain other income, other gains and losses, net, administrative expenses and finance cost. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

5. INCOME TAX EXPENSE

No Hong Kong Profits Tax is provided as the Company and its subsidiaries as there is no assessable profits for both years.

6. LOSS BEFORE TAX

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Loss before tax has been arrived at after charging: | | |
| Staff costs (including directors' emoluments: | | |
| – Salaries and other benefits | 22,091 | 24,351 |
| – Discretionary bonus* | 2,520 | 3,311 |
| – Retirement benefit scheme contributions | 588 | 798 |
| | <u>25,199</u> | <u>28,460</u> |
| Auditor's remuneration: | | |
| – the Company | 699 | 663 |
| – subsidiaries of the Company | 276 | 282 |
| | <u>975</u> | <u>945</u> |
| Depreciation of property, plant and equipment | 528 | 582 |
| Depreciation of right-of-use asset | <u>119</u> | <u>119</u> |

* The discretionary bonus is determined by reference to individual performance of the employees and approved by the management of the Group.

7. DIVIDENDS

No dividend was paid or proposed during the years ended 31 March 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

Subsequent to the end of the reporting period, a final dividend of HK4.0 cents per ordinary share in respect of the year ended 31 March 2025, in an aggregate amount of HK\$24,800,000 has been proposed by the directors of the Company and is subject to approval by the shareholders of the Company in the forth coming annual general meeting.

8. LOSS PER SHARE

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

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|----------------------------------|----------------------------------|
| Loss for the year attributable to the owners of the Company | <u>(9,545)</u> | <u>(9,324)</u> |
| | Number of shares '000 | Number of shares '000 |
| Weighted average number of ordinary shares for the purpose of calculating basic loss per share | <u>620,000</u> | <u>620,000</u> |

No diluted loss per share is presented for both years as there was no potential ordinary share in issue.

9. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

| | 2025 HK\$'000 | 2024 HK\$'000 |
|-------------------------------------|------------------|------------------|
| Financial asset measured at FVTOCI: | | |
| – Unlisted equity security | – | 13,000 |

On 31 January 2024, a direct wholly-owned subsidiary of the Company (the “**Purchaser**”) entered into an equity transfer agreement (“**Equity Transfer Agreement**”) with an independent third party (the “**Vendor**”) and pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase 5% equity interest in a private company incorporated in BVI (the “**Investee**”) where its major asset is an investment in the form of equity capital in a company established in the People’s Republic of China and is principally engaged in research and development of the technologies in acellular cartilage matrix which can be applied to surgeries for tackling the disease of cataract (the “**R&D Company**”). The unlisted equity security was acquired at a total consideration of HK\$13,000,000 and completed on 31 January 2024. The Vendor also guaranteed the Purchaser in the Equity Transfer Agreement the right to put back the instrument to the Vendor at original consideration of HK\$13,000,000 (the “**Put Option**”) if the R&D Company cannot obtain the specified license within 10 months from the date of acquisition (the “**Put Option Expiry Date**”). On 20 March 2024, a supplemental agreement was entered into between the Vendor and the Purchaser to further extend the Put Option Expiry Date to 31 December 2025. The Put Option is a separate instrument from the equity instrument designated at FVTOCI and is accounted for a derivative financial instrument measured at FVTPL.

The directors of the Company are of the view that the unlisted equity security investment is not held for trading and they do not expect that the Group will realise the unlisted equity investment within 12 months after the end of the reporting period. Accordingly, the directors of the Company designated the unlisted equity security at FVTOCI and classified it as a non-current asset in the consolidated statement of financial position at 31 March 2025.

During the year ended 31 March 2025, the R&D Company encountered significant operational funding constraints, adversely impacting its research activities and submission process for obtaining the Third Medical Device Registration License from China’s National Medical Products Administration. As of 31 March 2025, despite active efforts by existing shareholders of the R&D Company to secure new funding and investors, no viable funding sources had been identified.

As at 31 March 2025, the fair value of the Group’s unlisted equity security is based on net asset value of the Investee and its investment. As at 31 March 2024, the fair value of the Group’s unlisted equity security is based on discounted cash flow model with reference to a professional valuation performed by an independent professional valuer. During the year ended 31 March 2025, a fair value decrease of the investment at FVTOCI amounting to HK\$13,000,000 (2024: nil) is recognised.

The directors of the Company considered that the fair value of the derivative financial instrument was insignificant, both at the date of acquisition and at 31 March 2024. This assessment was based on the expectation that the Put Option condition would be triggered, rendering the fair value of the derivative financial instrument negligible. Given the current financial situation of the R&D Company at 31 March 2025, the directors of the Company assessed the fair value of the derivative financial instrument and concluded that it remains insignificant at 31 March 2025 due to the high non-performance risk associated with the Vendor should the Purchaser exercise the Put Option.

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Trade receivables (<i>Note (a)</i>) | 2,550 | 26,285 |
| Less: Allowance of credit losses for trade receivables | <u>(24)</u> | <u>(433)</u> |
| | 2,526 | 25,852 |
| Other receivables | 434 | 506 |
| Less: Allowance of credit losses for other receivables | <u>–</u> | <u>(6)</u> |
| | 434 | 500 |
| Advances to sub-contractors and suppliers | 5,149 | 987 |
| Prepayments and deposits | 1,409 | 3,207 |
| Deposit paid for potential acquisition of land use rights (<i>Note (b)</i>) | 6,500 | – |
| Escrow deposit for potential investment (<i>Note (c)</i>) | <u>9,417</u> | <u>–</u> |
| | <u>25,435</u> | <u>30,546</u> |
| Analysed as: | | |
| Non-current assets | 15,917 | – |
| Current assets | <u>9,518</u> | <u>30,546</u> |
| | <u>25,435</u> | <u>30,546</u> |

Note (a)

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customers. Recoverability of the existing customers is reviewed by the directors of the Company regularly.

The Group allows generally a credit period ranging from 30 to 90 days (2024: from 30 to 90 days) to its customers.

The following is an aged analysis of trade receivables presented based on dates of work certified at the end of the reporting period, net of allowance for credit losses.

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--------------|-------------------------|-------------------------|
| 1 – 30 days | 2,480 | 20,032 |
| 31 – 60 days | – | 5,818 |
| 61 – 90 days | 44 | – |
| Over 90 days | <u>2</u> | <u>2</u> |
| | <u>2,526</u> | <u>25,852</u> |

Note (b)

During the year ended 31 March 2025, a wholly-owned subsidiary of the Company (the “**Buyer**”) entered into a non-binding Memorandum of Understanding (“**MOU**”) with an independent third party (the “**Seller**”) and a custodian (the “**Custodian**”). The MOU contemplated the potential acquisition by the Buyer of land use rights held by the Seller under a 30-year customary land lease agreement dated 1 October 2023, granted by the Minister of Natural Resources and Environment of the Independent State of Samoa (acting on behalf of beneficial customary landowners). This lease includes an option to renew for a further 30-year term. Pursuant to the MOU, the Buyer paid a refundable deposit of HK\$6,500,000 to a designated bank account controlled by the Custodian. This deposit was intended to be offset against the purchase consideration upon signing of the sales and purchase agreement for the acquisition of land use rights.

Subsequent to the end of the reporting period, the refundable deposit of HK\$6,500,000 was refunded.

Note (c)

During the year ended 31 March 2025, a wholly-owned subsidiary of the Company (the “**Subsidiary**”) entered into an arrangement (the “**Arrangement**”) with a company controlled by Dr. Hiroshi Kaneko (the “**Related Company**”) for placing a good faith deposit of United States Dollar (“**US\$**”) 1,295,000 (the “**Good Faith Deposit**”), representing one-tenth of the bidding price in connection with a potential acquisition of assets, assumption of certain liabilities and an option to acquire the casino license held by a liquidating company through a public bidding in Saipan, the capital of Commonwealth of the Northern Mariana Islands (“**CNMI**”). The Subsidiary paid US\$1,200,000 (equivalent to approximately HK\$9,417,000) to the Related Company and the Related Company paid the Good Faith Deposit to an independent licensed escrow agent which is held in a segregated trust account administered by it as at 31 March 2025.

In addition, under the Arrangement, the Subsidiary can terminate the Arrangement with not less than 1 month notice in writing to the Related Company. The Related Company should refund the Subsidiary’s contribution of US\$1,200,000 (equivalent to approximately HK\$9,417,000) within a commercially reasonable period when the Subsidiary withdraws from the bidder project.

The Related Company was awarded the bid during the year ended 31 March 2025. As of the date these consolidated financial statements were authorised for issuance, no asset purchase agreement has been executed due to ongoing negotiations between the Related Company and the CNMI government regarding the additional requirements imposed by the CNMI government.

11. TRADE, RETENTION AND OTHER PAYABLES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|----------------------|-------------------------|-------------------------|
| Trade payables | 14,767 | 38,527 |
| Retention payables | 10,522 | 14,591 |
| Staff costs payables | 3,128 | 3,996 |
| Other payables | <u>2,192</u> | <u>2,551</u> |
| | <u>30,609</u> | <u>59,665</u> |

Trade payables

The credit period of trade payables granted by the Group's suppliers are usually within 60 days (2024: 60 days).

The following is an aged analysis of trade payables presented based on the invoice dates at the end of the reporting period:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--------------|-------------------------|-------------------------|
| 1 – 30 days | 12,504 | 17,487 |
| 31 – 60 days | 1,553 | 4,384 |
| 61 – 90 days | – | 55 |
| Over 90 days | <u>710</u> | <u>16,601</u> |
| | <u>14,767</u> | <u>38,527</u> |

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

We are a contractor specialising in alteration and addition works and civil engineering works in Hong Kong. In order to emphasise the specification on different fields of construction works, among our principal operating subsidiaries, Ka Shun Contractors mainly focuses on the provision of alteration and addition works, while Ka Shun Civil Engineering and Ka Construction mainly focus on the provision of civil engineering works which generally include site formation works and foundation works.

We have obtained all material licenses, permits and registration required for carrying on our business activities, including the Registered General Building Contractors and the Specialist Contractors – Site Formation Works granted by the Buildings Department; the Approved Contractors for Public Works (Roads and Drainage) and the Approved Contractors for Public Works (Site Formation) both under Group B (probationary) granted by Works Branch of the Development Bureau of the Government of Hong Kong; and Subcontractor Registration Scheme of the Construction Industry Council under the group of general civil works.

As at 31 March 2025, the Group had 8 contracts on hand (including contracts in progress and contracts which are yet to commence) with a total original contract value of approximately HK\$178.8 million. As at 31 March 2024, we had 6 contracts on hand with a total original contract value of approximately HK\$408.7 million.

In general, our customers primarily include property asset management companies, property developers and contractors in Hong Kong. We engage in projects in both public and private sectors. Public sector projects refer to projects of which the customer is a Government department, a statutory body or a Government controlled entity. During the year ended 31 March 2025, we focused on undertaking projects in the private sector.

As we look to the future, with the gradual easing of pandemic-related restrictions in Hong Kong, the construction market is anticipated to experience a progressive recovery. The Group will focus on expanding our business network and diversifying our customer base, while maintaining a vigilant oversight of market conditions. We remain cautiously optimistic about the prospects of the construction industry in Hong Kong and believe that we will have the opportunity to undertake more sizeable projects, leveraging our effective cost control measures, long-standing relationships with major customers, suppliers and subcontractors, diverse service capabilities, well-established industry presence, and experienced management team.

Financial Review

Revenue

Our revenue decreased from approximately HK\$229.9 million for the year ended 31 March 2024 to approximately HK\$88.4 million for the year ended 31 March 2025, representing a decrease of approximately 61.5%.

The decrease was primarily because less construction works were performed during the year ended 31 March 2025 than that during the year ended 31 March 2024.

Direct Costs

Our direct costs decreased from approximately HK\$225.5 million for the year ended 31 March 2024 to approximately HK\$84.2 million for the year ended 31 March 2025, representing a decrease of approximately 62.7%. The direct costs were generally decreased because of less construction works were performed when compared with last year.

Gross Profit and Gross Profit Margin

Our gross profit amounted to approximately HK\$4.2 million for the year ended 31 March 2025 and approximately HK\$4.4 million for the year ended 31 March 2024, representing a decrease of approximately 4.5%.

Accordingly, the gross profit margin increased from approximately 1.9% for the year ended 31 March 2024 to approximately 4.7% for the year ended 31 March 2025.

Other Income

Our other income decreased from approximately HK\$2.7 million for the year ended 31 March 2024 to approximately HK\$1.8 million for the year ended 31 March 2025. Such decrease was mainly due to the decrease in bank interest income from approximately HK\$2.7 million for the year ended 31 March 2024 to HK\$1.8 million for the year ended 31 March 2025.

Administrative Expenses

Our administrative expenses amounted to approximately HK\$16.5 million for the year ended 31 March 2025 which are comparable to that of approximately HK\$16.3 million for the year ended 31 March 2024.

Loss Before Tax

Our loss before tax of approximately HK\$9.5 million for the year ended 31 March 2025 which are comparable to that of approximately HK\$9.3 million for the year ended 31 March 2024.

Our income tax expenses remained nil for the years ended 31 March 2025 because there is no assessable profits for both years.

Loss and Total Comprehensive Expense for the Year

The increase in loss and total comprehensive expense for the year ended 31 March 2025 to approximately HK\$22.5 million compared to loss and total comprehensive expense for the year ended 31 March 2024 of approximately HK\$9.3 million was mainly due to the increase in fair value loss on equity instrument at fair value through other comprehensive income.

Key Financial Ratio

| | <i>Notes</i> | As at 31 March 2025 | As at 31 March 2024 |
|------------------------|--------------|------------------------------------|------------------------------------|
| Current ratio | <i>1</i> | 5.5 times | 3.7 times |
| Return on total assets | <i>2</i> | -4.8% | -3.7% |
| Return on equity | <i>3</i> | -5.8% | -5.0% |
| Net loss margin | <i>4</i> | -10.8% | -4.1% |

Notes:

1. Current ratio is calculated as current assets divided by current liabilities as at the respective reporting dates.
2. Return on total assets is calculated as loss and total comprehensive expense for the year divided by the total assets as of the respective reporting dates.
3. Return on equity is calculated as loss and total comprehensive expense for the year divided by the total equity attributable to owners of the Company as of the respective reporting dates.
4. Net loss margin is calculated as loss and total comprehensive expense for the year divided by the revenue for the respective reporting years.

Current Ratio

Our current ratio increased from approximately 3.7 times as at 31 March 2024 to approximately 5.5 times as at 31 March 2025. The increase was mainly due to the decrease in contract liabilities and hence the current liabilities decreased.

Return on Total Assets

Our return on total assets decreased from approximately -3.7% for the year ended 31 March 2024 to approximately -4.8% for the year ended 31 March 2025. The decrease was mainly due to the Group incurred loss and total comprehensive expense for the year ended 31 March 2025 as discussed above.

Return on Equity

Our return on equity decreased from approximately -5.0% for the year ended 31 March 2024 to approximately -5.8% for the year ended 31 March 2025. The decrease was mainly due to the Group incurred loss and total comprehensive expense for the year ended 31 March 2025 as discussed above.

Net Loss Margin

Our Group's net profit margin decreased from approximately -4.1% for the year ended 31 March 2024 to approximately -10.8% for the year ended 31 March 2025. The decrease was primarily due to the Group incurred loss and total comprehensive expense for the year ended 31 March 2024 as discussed above.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2025, the Company's issued capital was HK\$6.2 million and the number of its issued ordinary shares was 620,000,000 shares of HK\$0.01 each.

As at 31 March 2025, the Group had total cash and cash equivalents and restricted bank deposits of approximately HK\$129.9 million, and approximately HK\$2.5 million respectively (31 March 2024: cash and cash equivalents of approximately HK\$123.9 million, and restricted bank deposits of approximately HK\$24.2 million respectively).

The Group has funded the liquidity and capital requirements primarily through capital contributions and cash inflow generated from operating activities for the year ended 31 March 2025.

Foreign Exchange Exposures

As the Group only operates in Hong Kong and all of the revenue and transactions arising from its operations were settled in Hong Kong dollars, the Directors are of the view that the Group's foreign exchange rate risks are insignificant. Thus, the Group has not entered into any derivative contracts to hedge against the foreign exchange exposure for the year ended 31 March 2025 as well as for the year ended 31 March 2024.

Gearing Ratio

Gearing ratio is calculated as total debt divided by total equity as at the year ended date and expressed as a percentage. The gearing ratio of the Group as at 31 March 2025 remained 1.2% (31 March 2024: 1.1%).

Debts and Charges on Assets

As at 31 March 2025, the Group had a performance bond of approximately HK\$2.5 million (2024: HK\$26.7 million) given by a bank, in favour of the Group's customer as security for the due performance and observance of the Group's obligations under the contract entered into between the Group and its customer.

As at 31 March 2025 and 2024, the performance bonds issued by the bank are granted under the bank facilities of the Group which were secured by restricted bank deposits and personal guarantee given by the directors of the subsidiaries of the Company, Mr. Lo Wing Hang (“**Mr. Lo**”) and Mr. Tang Wing Kwok (“**Mr. Tang**”) amounted to nil (2024: HK\$24.2 million) and HK\$2.5 million (2024: HK\$2.5 million) respectively.

Capital Commitments and Contingent Liabilities

As at 31 March 2025 and 2024, the Group had no material capital commitments and contingent liabilities.

Significant Investment, Material Acquisitions or Disposals of Subsidiaries and Associated Companies

During the year ended 31 March 2025, the Group did not have any significant investment held, any material acquisitions or disposals of subsidiaries and associated companies.

Future Plans for Material Investment or Capital Assets

There was no plans for material investments or capital assets as at 31 March 2025.

Employees and Remuneration Policy

As at 31 March 2025, we employed a total of 49 full-time employees (including one executive director but excluding two non-executive directors and three independent non-executive directors), as compared to a total of 49 full-time employees (including two executive Directors but excluding one non-executive director and three independent non-executive Directors) as at 31 March 2024. The remuneration packages that the Group offers to employees include salary, discretionary bonuses, staff benefits, contributions and retirement schemes as well as other cash subsidies. In general, the Group determines employee’s salaries based on each employee’s qualifications, position, experience and seniority. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of its decisions with respect to salary raises, bonuses and promotions. The total staff cost incurred by the Group for the year ended 31 March 2025 was approximately HK\$25.2 million compared to approximately HK\$28.5 million in the corresponding year ended 31 March 2024.

Final Dividends

The Board has recommended to pay a final dividends of HK4.0 cents per share (2024: Nil), to shareholders whose names appear on the register of members of the Company on 19 September 2025. The final dividend will be subject to the approval of the shareholders of the Company at the forthcoming annual general meeting (the “**AGM**”) of the Company to be held on 9 September 2025.

Share Option Scheme

Pursuant to written resolutions passed on 4 April 2019, the Company adopted a share option scheme (the “**Share Option Scheme**”). The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

Under the Share Option Scheme, the board of directors of the Company may, at its discretion, grant options to subscribe for ordinary shares of the Company to eligible participants (“**Eligible Participants**”) who contribute to the long-term growth and profitability of the Company. Eligible Participants include (i) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of the Company, any of its subsidiaries or any entity (“**Invested Entity**”) in which any member of the Group holds an equity interest; (ii) any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity; (iii) any supplier of goods or services to any member of the Group or any Invested Entity; (iv) any customer of any member of the Group or any Invested Entity; (v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and (viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Group shall not exceed 30% of the ordinary share capital of the Company in issue from time to time. The total number of ordinary shares which may be allotted and issued upon exercise of all options to be granted under Share Options Scheme and any other share option of the Group must not in aggregate exceed 10% of the ordinary shares in issue as at the date of passing of the relevant resolution adopting the Share Option Scheme.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the ordinary shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s ordinary shares at the date of the grant) in excess of HK\$5,000,000, within any twelve-month period, are subject to shareholders’ approval in advance in a general meeting.

Options granted must be taken up within seven days inclusive of the day on which such offer was made, upon payment of HK\$1 per option. The exercise period of the share options granted is determinable by the directors of the Company, save that such period shall not be more than ten years from the date of the offer of the share options, subject to the provisions for early termination as set out in the Share Option Scheme.

Unless otherwise determined by the directors of the Company at their absolute discretion, there is no requirement of a minimum period for which an option must be held before an option can be exercised. In addition, there is no performance target which must be achieved before any of the options can be exercised.

The exercise price of the share options is determinable by the directors of the Company, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's ordinary shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's ordinary shares for the five business days immediately preceding the date of the offer; and (iii) the nominal value of the Company's ordinary shares on the date of the offer.

The Share Option Scheme will remain in force for a period of ten years commencing on the date of the adoption (i.e. 4 April 2019) and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless otherwise terminated earlier by the shareholders in general meeting. As at 31 March 2025, the remaining life of the Share Option Scheme was more than five years.

No share options had been granted under the Share Option Scheme since the adoption of the Scheme. During the period between the adoption date of the Share Option Scheme and the date of this announcement, no share option has been granted, exercised, cancelled or lapsed. There was no outstanding share option under the Share Option Scheme as at 31 March 2025 and the date of this announcement. As at 31 March 2025 and the date of this announcement, the total number of shares available for issue under the Share Option Scheme was 62,000,000, representing 10% of the entire issued share capital of the Company.

The Company does not have any other share scheme other than the Share Option Scheme adopted on 4 April 2019.

Purchase, Sale or Redemption of the Company's Listed Securities

No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries for the year ended 31 March 2025 and up to the date of this announcement.

Events after the year ended 31 March 2025

As of the date of this announcement, the Group does not have any material subsequent events after the reporting period.

Sufficiency of Public Float

Based on the information that was publicly available and with the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed minimum public float for its shares as required under the Listing Rules as at the latest practicable date prior to the issue of this announcement.

CORPORATE GOVERNANCE PRACTICES

Save as disclosed below, the Group has complied with the code provisions set out in Appendix C1 (the “**CG Code**”) to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange throughout the Year and, where appropriate, the applicable recommended best practices of the CG Code.

The Company does not have a designated position of Chairman since 8 April 2024.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not have a designated position of Chairman for the periods from 4 December 2023 to 21 December 2023 and from 8 April 2024 onwards. The responsibilities of the chairman and the chief executive officer of the Company are currently vested in Dr. Hiroshi Kaneko (the executive director and the chief executive officer of the Company). As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

Save for the above, the Company had complied with all code provisions as set out in the CG Code throughout the Year and, where appropriate, the applicable recommended best practices of the CG Code. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she had complied with the required standards as set out in the Model Code throughout the year ended 31 March 2025.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

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 ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements for the year as approved by the Board of Directors on 27 June 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

AUDIT COMMITTEE

The Company established the audit committee in accordance with Rule 3.21 of the Listing Rules with the written terms of reference in compliance with the CG code as set out in Appendix C1 of the Listing Rules. The audit committee consists of three independent non-executive Directors, namely, Mr. Yiu To Wa, Mr. Jin Fan and Mr. Sung Ka Woon. Mr. Yiu To Wa currently serves as the Chairman of the audit committee.

The audit committee had reviewed, together with the management, the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended 31 March 2025.

The Group's audited consolidated financial statements for the year ended 31 March 2025 have been reviewed and approved by the audit committee. The audit committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Company's website at www.bnd-strategic.com.hk and the website of the Stock Exchange at www.hkexnews.hk. The 2025 annual report of the Company for the year ended 31 March 2025 will be despatched to shareholders of the Company and available on the same websites in due course.

APPRECIATION

The Board would like to express its sincere appreciation to our stakeholders for their continued support to the Group. The Board would also wish to thank to our management and all the staff who have contributed their time, efforts and supports to the Group's business operations.

By Order of the Board
Rongzun International Holdings Group Limited
Dr. Hiroshi Kaneko
Executive Director and Chief Executive Officer

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises Dr. Hiroshi Kaneko as executive Director; Mr. Wang Xueyan and Miss Song Ningning as non-executive Directors; and Mr. Jin Fan, Mr. Sung Ka Woon and Mr. Yiu To Wa as independent non-executive Directors.