信銘生命科技集團有限公司
Aceso Life Science Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00474)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

The board (the "**Board**") of directors (the "**Directors**") of Aceso Life Science Group Limited (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2025 (the "**Year**") together with the comparative figures for the corresponding period for the year ended 31 March 2024 (the "**Previous Year**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	**2025** ***HK$'million***	2024 *HK$'million*
Revenue	*3*	**195**	228
Cost of revenue		**(105)**	(111)
Gross profit		**90**	117
Other income		**24**	49
Fair value (losses)/gains:		**(460)**	(292)
– investment properties		**(419)**	(89)
– financial assets at fair value through profit or loss ("**FVTPL**")		**(29)**	(242)
– financial liabilities at FVTPL		**(12)**	39
Other losses		**(39)**	(33)
Administrative expenses		**(114)**	(124)
Provision for impairment losses on financial assets (expected credit losses), net		**(142)**	(74)
Provision for impairment losses on intangible assets		**(167)**	–
Share of results of associates		**(94)**	(325)
Finance costs		**(125)**	(141)
Loss before taxation	*4*	**(1,027)**	(823)
Income tax credit	*5*	**10**	14
Loss for the year		**(1,017)**	(809)

	Notes	**2025** ***HK$'million***	2024 *HK$'million*
Other comprehensive (expenses) /income after tax:			
Items that will not be reclassified to profit or loss:			
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**(84)**	(354)
Items that may be reclassified to profit or loss:			
Share of associates' exchange differences on translating foreign operation		**(4)**	(4)
Exchange differences on translating foreign operations		**49**	(15)
Other comprehensive expenses for the year, net of tax		**(39)**	(373)
Total comprehensive expenses for the year		**(1,056)**	(1,182)
Loss for the year attributable to:			
Owners of the Company		**(895)**	(462)
Non-controlling interests		**(122)**	(347)
		(1,017)	(809)
Total comprehensive expenses for the year attributable to:			
Owners of the Company		**(896)**	(724)
Non-controlling interests		**(160)**	(458)
		(1,056)	(1,182)
Loss per share			
Basic (HK cents per share)	*7*	**(12.44)**	(6.35)
Diluted (HK cents per share)		**(12.44)**	(6.35)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	**2025** **HK$'million**	2024 HK$'million
Non-current assets			
Property, plant and equipment		**172**	216
Right-of-use assets		**–**	18
Artworks		**19**	19
Investment properties		**1,065**	1,458
Intangible assets		**4**	171
Interests in associates		**720**	798
Financial assets at FVTOCI		**373**	447
Properties for development		**346**	326
Finance lease receivables		**1**	–
Deferred tax assets		**7**	58
Other receivables and deposits		**5**	9
Other financial assets		**1**	1
Total non-current assets		**2,713**	3,521
Current assets			
Inventories		**2**	2
Trade receivables	*8*	**161**	208
Other receivables, deposits and prepayments		**54**	18
Financial assets at FVTPL		**80**	119
Loan receivables	*9*	**41**	47
Finance lease receivables		**2**	1
Corporate note receivables		**43**	501
Pledged bank deposits		**7**	15
Trusted and segregated bank accounts		**8**	4
Cash and cash equivalents		**132**	350
Total current assets		**530**	1,265
Total assets		**3,243**	4,786

	Notes	**2025** **HK$'million**	2024 HK$'million
Current liabilities			
Lease liabilities		**11**	10
Bank and other borrowings	*10*	**1,209**	1,633
Corporate note payables		**505**	420
Trade payables	*11*	**4**	6
Other payables, deposits received and accruals		**158**	129
Income tax payables		**19**	16
Total current liabilities		**1,906**	2,214
Net current liabilities		**(1,376)**	(949)
Total assets less current liabilities		**1,337**	2,572
Non-current liabilities			
Lease liabilities		**15**	9
Deferred tax liabilities		**17**	84
Bank and other borrowings	*10*	**10**	27
Corporate note payables		**–**	100
Financial liabilities at FVTPL		**551**	539
Total non-current liabilities		**593**	759
NET ASSETS		**744**	1,813
(DEFICIT)/EQUITY			
Share capital	*12*	**73**	73
(Deficit)/reserves		**(61)**	848
		12	921
Non-controlling interests		**732**	892
TOTAL EQUITY		**744**	1,813

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. GENERAL AND BASIS OF PREPARATION

Aceso Life Science Group Limited (the "**Company**" together with its subsidiaries, the "**Group**") is an exempted limited liability company incorporated in the Cayman Islands. In the opinion of the directors of the Company, the immediate and ultimate holding company of the Company is Asia Link Capital Investment Holdings Limited, which is incorporated in the British Virgin Islands ("**BVI**"), and the ultimate controlling shareholder of the Company is Ms. Li Shao Yu ("**Ms. Li**"). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY-1111, Cayman Islands. The principal place of business in Hong Kong is Rooms 2501–2509, 25/F, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong. The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is an investment holding company and the principal activities of the Group include: (i) rental and sales of construction machinery and spare parts; (ii) provision of repair and maintenance and transportation services; (iii) money lending services; (iv) provision of asset management, securities brokerage and other financial services; (v) property leasing and (vi) property development.

These consolidated financial statements are presented in Hong Kong Dollars ("**HK$**"), which is also the functional currency of the Company and rounded to the nearest million ("**million**"), unless otherwise stated.

The Group incurred a net loss of HK$1,017 million during the year ended 31 March 2025. As at 31 March 2025, the Group's current liabilities exceeded its current assets by HK$1,376 million, of which the Group's pledged bank deposits, trusted and segregated bank accounts and cash and cash equivalent only amounted to HK$7 million, HK$8 million and HK$132 million respectively as compared to the Group's borrowings of HK$1,209 million, repayable within the next twelve months from the end of the reporting period. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The Group has developed and implemented the following liquidity plans to address the going concern issue:

(i) On 16 April 2025, the Group received a letter of reservation of rights and a demand letter (both dated 15 April 2025) from the agents of the lenders of a mortgage loan of the Group's investment properties in the United Kingdom ("**Agents**") with an aggregate outstanding principal of approximately GBP79 million (equivalent to approximately HK$800 million) (the "**UK Loan**") as a result of default in repayment in full on the maturity date of 14 April 2025 pursuant to the loan facility agreement entered in 2018. The UK Loan carried at HK$770 million as at year end date and is secured by the Group's investment properties in London, with a fair value of approximately HK$1,059 million as at 31 March 2025. The Group is actively negotiating with potential lenders to seek for new financing with a loan principal amount not less than or equivalent to approximately GBP99 million (equivalent to approximately HK$1 billion), in order to replace the UK Loan and maintain the working capital of the Group. Up to the date of this announcement, the Group has obtained draft term sheets from international and sizeable financial institution for further review and negotiation;

(ii) On 17 April 2025, the Group received a letter of demand from a bank claiming for two outstanding loans with an aggregated carrying amounts of HK$352 million (the "**Loans**"). Based on the letter of demand, the Group failed to make punctual repayment of the Loans. The Loans are secured by a property located in Hong Kong with second legal charge (the "**Charged Property**") owned by Ms. Li. The Group is actively negotiating with the bank to extend the Loans. Up to the date of issuance of these consolidated financial statements, the Group has obtained confirmation from Ms. Li that she will provide financial support to the Company to repay the Loans if the Loans are unable to be extended, limited to the sales proceed from realising the Charged Property after settling the first legal charge;

(iii) A corporate note payable of HK$370 million is due and repayable on 17 September 2025. The Group is actively negotiating with the holder of this corporate note to grant an extension of 18 months; and

(iv) The directors of the Company is exploring any additional financial resources available to the Group to enhance the liquidity of the Group, including but not limited to, pledging or realising unsecured listed or unlisted equity investments held by the Group.

The directors of the Company are of the opinion that, after the abovementioned plans and measures progressively take effect, the financial condition of the Group will be restored and the material uncertainties relating to going concern will be properly addressed. The directors of the Company therefore hold the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 31 March 2025. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

However, should the Group fail to implement the abovementioned mitigation measures, the Group may not have sufficient funds to operate as a going concern, in which case adjustments might have to be made to the carrying values of the Group's assets to their recoverable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which might arise.

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 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

Except as described below, the application of the amendments to the 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.

Impacts on application of Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)" (the "2020 Amendments") and Amendments to HKAS 1 "Non-current Liabilities with Covenants" (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year. The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within twelve months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current unless only if the entity recognises the option separately as an equity instrument applying HKAS 32 "Financial Instruments: Presentation".

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after reporting period, an entity discloses information that enables users of the financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities, facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The application of the amendments in the current year had no material impact on the 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 Standard 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 Exchangeablility[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 Standards 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 "Presentation and Disclosure in Financial Statements", 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 improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. 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 AND SEGMENT INFORMATION

(a) Description of segments and principal activities

Information reported to the board of directors, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The Group's reportable segments under HKFRS 8 Operating Segments are as follow:

(i) Rental and sales of construction machinery and spare parts business: The Group offers crawler cranes of different sizes, other mobile cranes, aerial platforms and foundation equipment in its construction machinery rental fleet in Hong Kong. The Group also sells construction machinery and spare parts in Hong Kong and Macau.

(ii) Provision of repair and maintenance and transportation service business: The Group provides repair and maintenance services for construction machinery, in particular the crawler cranes, in Hong Kong. The Group also provides transportation services which include local container delivery, construction site delivery and heavy machinery transport in Hong Kong.

(iii) Money lending business: The Group holds money lending licenses and offers mortgaged loan and personal loan businesses in Hong Kong.

(iv) Provision of asset management, securities brokerage and other financial services business: The Group holds Securities and Future Commission licenses for conducting type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance and provides a wide range of financial services in Hong Kong.

(v) Property leasing business: The Group holds a commercial property in London, the United Kingdom (the "**UK**"), for leasing.

(vi) Property development business: The Group holds properties for development in Malaysia through a subsidiary.

(b) Segment profit or loss

There were no intersegment sales during the years. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability 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.

The segment profit or loss for the reportable segments provided to the CODM and reconciliation to loss before taxation for the years ended 31 March 2025 and 2024 are as follows:

	2025						
	Rental and sales of construction machinery and spare parts *HK$'million*	**Provision of repair and maintenance and transportation services** *HK$'million*	**Money lending services** *HK$'million*	**Provision of asset management, securities brokerage and other financial services** *HK$'million*	**Property leasing** *HK$'million*	**Property development** *HK$'million*	**Total** *HK$'million*
Segment revenue							
External revenue	**128**	**6**	**1**	**10**	**50**	**–**	**195**
Segment results before the following items:	**32**	**3**	**3**	**5**	**47**	**–**	**90**
– Depreciation	**(29)**	**(1)**		**–**	**–**	**–**	**(30)**
– Fair value losses	**–**	**–**		**–**	**(419)**	**–**	**(419)**
– Reversal of impairment losses / (Impairment losses) of financial assets (expected credit losses)	**8**	**–**	**(56)**	**–**	**–**	**–**	**(48)**
– Impairment loss on							
– intangible assets	**(167)**	**–**	**–**	**–**	**–**	**–**	**(167)**
– right of use assets	**(26)**	**–**	**–**	**–**	**–**	**–**	**(26)**
– Interest income	**–**	**–**	**2**	**4**	**–**	**–**	**6**
– Finance costs	**(3)**	**–**	**(1)**	**–**	**(25)**	**–**	**(29)**
Segment results	**(185)**	**2**	**(52)**	**9**	**(397)**	**–**	**(623)**
Unallocated:							
– Other income							**18**
– Fair value losses of financial assets and financial liabilities at FVTPL							**(41)**
– Other losses							**(13)**
– Administrative expenses							**(71)**
– Depreciation							**(13)**
– Impairment losses of financial assets (expected credit losses)							**(94)**
– Share of results of associates							**(94)**
– Finance costs							**(96)**
Loss before taxation							**(1,027)**

	2024						
	Rental and sales of construction machinery and spare parts *HK$'million*	Provision of repair and maintenance and transportation services *HK$'million*	Money lending services *HK$'million*	Provision of asset management, securities brokerage and other financial services *HK$'million*	Property leasing *HK$'million*	Property development *HK$'million*	Total *HK$'million*
Segment revenue							
External revenue	157	6	4	7	54	–	228
Segment results before the following items:	61	3	1	1	42	–	108
– Depreciation	(28)	(1)	–	–	–	–	(29)
– Fair value losses	–	–	–	–	(89)	–	(89)
– Impairment losses of financial assets (expected credit losses)	–	–	(88)	–	–	–	(88)
– Interest income	1	–	–	4	–	–	5
– Finance costs	(4)	–	(1)	–	(25)	–	(30)
Segment results	30	2	(88)	5	(72)	–	(123)
Unallocated:							
– Other income							44
– Fair value losses of financial assets and financial liabilities at FVTPL							(203)
– Other losses							(33)
– Administrative expenses							(65)
– Depreciation							(21)
– Reversal of impairment losses of financial assets (expected credit losses)							14
– Share of results of associates							(325)
– Finance costs							(111)
Loss before taxation							(823)

(c) Geographical information

The geographical information about the Group's revenue from external customers by location of operations and the non-current assets other than financial instruments and deferred tax assets in which the assets are physically located is detailed below:

	Revenue For the year ended 31 March		Non-current assets As at 31 March	
	2025	2024	**2025**	2024
	HK$'million	*HK$'million*	***HK$'million***	*HK$'million*
Hong Kong	**145**	174	**202**	418
UK	**50**	54	**1,080**	1,473
Malaysia	**–**	–	**346**	326
Cambodia	**–**	–	**700**	798
	195	228	**2,328**	3,015

(d) Information about major customers

During the Year, the aggregate revenue attributable to the Group's five largest customers was approximately 34.6% of the Group's total revenue (2024: approximately 37.4%).

The external customers which contributed over 10% of the total revenue of the Group for the years ended 31 March 2025 and 2024 are as follows:

	2025	2024
	HK$'million	*HK$'million*
Customer A	**21**	28

Notes: It represents one of the customers from the segment of rental and sales of construction machinery and spare parts.

(e) Disaggregated revenue by segments

For the year ended 31 March 2025

	Segments					
	Rental and sales of construction machinery and spare parts *HK$'million*	**Provision of repair and maintenance and transportation services** *HK$'million*	**Money lending services** *HK$'million*	**Provision of asset management, securities brokerage and other financial services** *HK$'million*	**Property leasing** *HK$'million*	**Total** *HK$'million*
Sales of construction machinery and spare parts	**22**	**–**	**–**	**–**	**–**	**22**
Repair and maintenance and transportation service income	**–**	**6**	**–**	**–**	**–**	**6**
Commission income generated from asset management, securities brokerage and other financial services	**–**	**–**	**–**	**1**	**–**	**1**
Rental of construction machinery	**106**	**–**	**–**	**–**	**–**	**106**
Leasing of investment properties	**–**	**–**	**–**	**–**	**50**	**50**
Interest income from money lending	**–**	**–**	**1**	**–**	**–**	**1**
Interest income from margin financing	**–**	**–**	**–**	**9**	**–**	**9**
	128	**6**	**1**	**10**	**50**	**195**
Timing of revenue recognition						
At a point in time	**22**	**–**	**–**	**1**	**–**	**23**
Over time	**106**	**6**	**1**	**9**	**50**	**172**
Total	**128**	**6**	**1**	**10**	**50**	**195**

For the year ended 31 March 2024

	Segments					
	Rental and sales of construction machinery and spare parts *HK$'million*	Provision of repair and maintenance and transportation services *HK$'million*	Money lending services *HK$'million*	Provision of asset management, securities brokerage and other financial services *HK$'million*	Property leasing *HK$'million*	Total *HK$'million*
Sales of construction machinery and spare parts	21	–	–	–	–	21
Repair and maintenance and transportation service income	–	6	–	–	–	6
Commission income generated from asset management, securities brokerage and other financial services	–	–	–	1	–	1
Rental of construction machinery	136	–	–	–	–	136
Leasing of investment properties	–	–	–	–	54	54
Interest income from money lending	–	–	4	–	–	4
Interest income from margin financing	–	–	–	6	–	6
	157	6	4	7	54	228
Timing of revenue recognition						
At a point in time	21	–	–	1	–	22
Over time	136	6	4	6	54	206
Total	157	6	4	7	54	228

4. LOSS BEFORE TAXATION

This is stated at after charging/(crediting) the following:

	2025	2024
	HK$'million	*HK$'million*
Auditor's remuneration	**4**	2
Cost of inventories sold (included in cost of revenue)	**16**	20
Depreciation:		
Depreciation of property, plant and equipment	**30**	37
Depreciation of right-of-use assets	**13**	13
Total depreciation	**43**	50
Less: depreciation of property, plant and equipment included in cost of revenue	**(28)**	(29)
	15	21
Direct operating expenses from investment properties	**35**	39
Loss on disposal of items of property, plant and equipment	**8**	–
Staff costs (including director's remuneration):		
– Salaries, bonuses and allowances	**88**	84
– Retirement benefit scheme contributions	**2**	2
Total staff cost	**90**	86
Less: staff costs included in cost of revenue	**(41)**	(39)
	49	47

5. INCOME TAX CREDIT

	2025	2024
	HK$'million	*HK$'million*
Current income tax		
– Current year		
– Hong Kong	**(3)**	(4)
– UK	**(4)**	(3)
	(7)	(7)
Deferred tax		
– Current year	**17**	21
	10	14

6. DIVIDENDS

No dividend has been paid or declared by the Company during the year ended 31 March 2025 (2024: Nil).

7. LOSS PER SHARE

Basic and diluted

Basic and diluted loss per share was calculated by dividing the loss for the year attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Loss for the year attributable to the owners of the Company (HK$'million)	**(895)**	(462)
Weighted average number of ordinary shares in issue (million shares)	**(7,197)**	7,274
Basic and diluted loss per share (HK cents)	**(12.44)**	(6.35)

8. TRADE RECEIVABLES

	2025 *HK$'million*	2024 *HK$'million*
Trade receivables		
Income from rental and sales of construction machinery business and spare parts	**29**	48
Less: Allowance for expected credit losses of trade receivables from rental and sales of construction machinery business and spare parts	**(4)**	(12)
	25	36
Securities brokerage business	**164**	150
Less: Allowance for expected credit losses of trade receivables from securities brokerage	**(48)**	(1)
	116	149
Leasing of investment properties	**20**	24
Less: Allowance for expected credit losses of trade receivables from leasing of investment properties	**–**	(1)
	20	23
	161	208

Notes:

(a) The Group allows an average credit period of 0–30 days to its trade customers arising from its rental and sales of construction machinery and spare parts business. The credit period provided to customers can be longer based on a number of factors including the customer's credit profile and relationship with the customers. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly. The Group has a policy for allowance for expected credit losses which is based on the evaluation of the collectability and aging analysis of accounts on every individual trade debtor basis and on the management's judgement including creditworthiness and the past collection history of each customer.

Trade receivables from cash and margin clients arising from commodities, futures and securities brokerage business are repayable on demand subsequent to the settlement date. The margin clients of the securities brokerage business are required to pledge their investments to the Group for credit facilities for commodities, futures and securities trading.

(b) The aging analysis by invoice date of trade receivables from rental and sales of construction machinery and spare parts business before allowance for expected credit losses is as follows:

	2025	2024
	HK$'million	*HK$'million*
0–30 days	**6**	13
31–60 days	**7**	19
61–90 days	**3**	1
91–180 days	**4**	4
181–365 days	**6**	4
Over 365 days	**3**	7
	29	48

The aging analysis by invoice date of trade receivables from securities brokerage before allowance for expected credit losses is as follows:

	2025	2024
	HK$'million	*HK$'million*
0–30 days	**10**	11
31–60 days	**–**	39
61–90 days	**1**	30
91–180 days	**2**	2
181–365 days	**60**	23
Over 365 days	**91**	45
	164	150

9. LOAN RECEIVABLES

	2025	2024
	HK$'million	*HK$'million*
Secured fixed-rate loan receivables	**88**	88
Unsecured fixed-rate loan receivables	**154**	150
Less: Allowance for expected credit losses	**(201)**	(191)
	41	47

10. BANK AND OTHER BORROWINGS

	2025	2024
	HK$'million	*HK$'million*
Bank borrowings	**383**	682
Loans from other financial institutions	**836**	978
	1,219	1,660
Representing:		
Current	**1,209**	1,633
Non-current	**10**	27
	1,219	1,660
The borrowings are repayable as follows:		
On demand or within one year	**1,209**	1,633
Between 1 and 2 years	**6**	19
Between 2 and 5 years	**4**	8
	1,219	1,660
Less: Amount due for settlement within 12 months (shown under current liabilities)	**1,209**	(1,633)
Amount due for settlement after 12 months	**10**	27

11. TRADE PAYABLES

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	2025	2024
	HK$'million	*HK$'million*
Within 30 days	**2**	2
31 to 60 days	**–**	2
61 to 180 days	**1**	1
181 to 360 days	**–**	–
Over 360 days	**1**	1
	4	6

12. SHARE CAPITAL

	Number of shares	
	('million)	*HK$'million*
Ordinary shares of HK$0.01 each		
Authorised:		
As at 1 April 2023, 31 March 2024 and 31 March 2025	50,000	500
Issued and fully paid:		
As at 1 April 2023, 31 March 2024 and 31 March 2025	7,382	73

13. EVENTS AFTER THE REPORTING PERIOD

(a) On 16 April 2025, the Group received a letter of reservation of rights and a demand letter (both dated 15 April 2025) from the agents of lenders regarding to the respective outstanding UK loan amounts, which the aggregate outstanding principal amount was approximately GBP79 million (equivalent to HK$800 million) as at 31 March 2025. Details of which are set out in the Company's announcement dated 16 April 2025. Up to the date of this announcement, the amount remains outstanding.

(b) On 23 April 2025, the Group received a demand letter from a bank in Hong Kong, claiming for two outstanding loans with an aggregated carrying amounts of HK$352 million and the Company was demanded to pay the indebtedness in full. Details of which are set out in the Company's announcements dated 23 April 2025 and 27 April 2025. Up to the date of this announcement, the amount remains outstanding.

(c) On 3 October 2024, Hao Tian International Securities Limited and Hao Tian International Contraction Investment Group Limited ("**HTICI**")（both are indirect non-wholly owned subsidiary of the company）entered into a placing agreement (the "**Placing Agreement**"), pursuant to which HTICI has conditionally agreed to place an aggregate of up to 1,524,224,000 placing shares (the "**Placing Shares**") at the placing price of HK$0.4 per Placing Share (the "**Placing Price**") to not less than six placees who and whose ultimate beneficial owners are third parties independent of HTICI and its connected persons.

The Placing Agreement was approved by the shareholders of HTICI during extraordinary general meeting of HTICI held on 18 March 2025.

Completion has taken place on 12 May 2025, and 125,000,000 Placing Shares in aggregate have been allotted and issued by HTICI to the placees at the Placing Price. The gross proceeds from the Placing was HK$50 million and the net proceeds from the Placing (after deduction of other expenses of the Placing) was approximately HK$49.25 million. The total nominal value of the Placing Shares allotted and issued was HK$1,250,000. The net Placing Price, after deducting the expenses, was approximately HK$0.39 per Placing Share.

Immediately upon completion, the Group's shareholding in HTICI decreased from 29.05% to 28.58%. Taking into account, inter alia, the Group's absolute size of shareholdings in HTICI, the relative size, dispersion and intention of attending upcoming general meetings of other shareholders of HTICI, HTICI has ceased to be a subsidiary of the Company. Accordingly, the results and financial position of HTICI will not be consolidated in the consolidated financial statements of the Company, but will be accounted for as a separate line item as interest in an associate using the equity method in the consolidated statement of financial position.

For details of the Placing, please refer to the announcements of the Company dated 25 October 2024 and 12 May 2025 and the circular of the Company dated 25 February 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Market and Business Overview

During the Year, fluctuations in both the global and local economies continued to impact the Group's financial performance.

Globally, the monetary policies of the United States ("**US**") have sustained elevated capital costs, contributing to substantial economic uncertainty. Furthermore, the recent US political policies has intensified geopolitical tensions and driven a resurgence in deglobalization trends. The proposed tariff policies of current US government have heightened market uncertainties, particularly in areas such as inflation, capital costs, and investment risks. As a result, many investors and corporations have adopted a more cautious approach, scaling back development and expansion plans, which in turn has contributed to a slowdown in global economic growth, including that of the Group's business operations.

Despite ongoing uncertainties in the global economy, the Group's property leasing segment has remained relatively resilient to economic fluctuations. Most of the existing tenants of the Group's commercial property in the UK have previously entered into long-term lease agreement, with the majority set to expire in 2027 and 2028. As a result, rental income for the Year remained stable as compared to the Previous Year.

The Group's business in rental and sales of machinery and spare parts continued to be significantly impacted by Hong Kong's financial climate. The Hong Kong government's forecast consolidated deficit for the fiscal years 2024/25 and 2025/26 was projected to be $87.2 billion and $67.0 billion respectively. This deficit is expected to persist for at least the next few years, posing ongoing fiscal challenges for the Hong Kong government. As a result, financial constraints may limit large-scale infrastructure investments, leading to a decline in project development. This deceleration directly affects the demand for the Group's machinery rental services, thereby impacting a key revenue stream.

Nevertheless, the Group remains committed to navigating these economic challenges by implementing strategic measures to enhance operational efficiency and maintain financial resilience.

During the year, the Group's principal activities include:

- Rental and sales of construction machinery and spare parts;
- Provision of repair and maintenance and transportation services;
- Money lending services;
- Provision of asset management, securities brokerage and other financial services;
- Property leasing; and
- Property development.

Rental and sales of construction machinery and spare parts

The Group offers a diverse range of construction machinery through its rental fleet, including crawler cranes of various capacities, mobile cranes, aerial platforms, and foundation equipment. Construction machinery is sourced mainly from Japan, with some being sourced from Europe and China.

As at 31 March 2025, the Group operated a rental fleet of approximately 178 units of construction machinery. To ensure a diverse and up-to-date inventory, the Group periodically reviews and refreshes its equipment portfolio. The Board remains committed to overseeing daily operations and conducts regular assessments of fleet strategy and funding requirements. Adjustments to the fleet enhancement strategy may be made as necessary, taking into account operational demands, customer preferences, and prevailing market conditions. Additionally, the Group rents out and sells spare parts to support customers' maintenance needs or upon specific request.

Revenue from rental and sales of construction machinery and spare parts for the Year declined by approximately 18.5% compared to the Previous Year. The decrease was primarily due to reduction in the number of new infrastructure projects initiated during the Year relative to the prior years, following the completion of a number of major infrastructure developments in recent years without supplemented with new and substantial projects.

Provision of asset management, securities brokerage and other financial services

The Group provides a comprehensive range of financial services and holds licenses for conducting Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the "**SFO**").

During the Year, the Group's financial services business includes provision of asset management, securities brokerage, and other financial services, which generated revenue of approximately HK$10 million (2024: approximately HK$7 million), accounting for approximately 5.1% (2024: approximately 3.1%) of the Group's total revenue. Segment profit recognised for the Year was approximately HK$9 million (2024: approximately HK$5 million). The increase in revenue was primarily driven by the growth in transaction volume and the value with the securities brokerage segment resulting from the Hong Kong's stock market becoming more active in the Year comparing to the Previous Year.

As part of the preparation of financial statements for the Year, the Company reviewed the recoverable amounts of the trading right associated with its of Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities as defined under the SFO. Following this assessment, no impairment loss was recognised (2024: nil).

Money lending services

The Group holds money lender licenses under the Money Lenders Ordinance in Hong Kong and the money lending business is conducted through its subsidiaries, which grant loans to individuals and enterprises in Hong Kong. The Group strived to adhere to a set of comprehensive policies and procedural manuals in respect of loan approval, loan renewal, loan recovery, loan compliance, monitoring and anti-money laundering.

(a) The size and diversity and sources of its clients, and source of funding of the money lending business

As at 31 March 2025, the Group had loans receivable with carrying amount of approximately HK$41 million (2024: approximately HK$47 million), of which, approximately HK$28 million (2024: approximately HK$47 million) was derived from money lending business. A total of approximately HK$9 million of the loan receivables and interest income receivables was received from borrowers during the Year (2024: HK$5 million). During the Year, the Group granted one loan to an independent third party with carrying amounts of approximately HK$13 million (2024: nil).

As at 31 March 2025, there were a total of 13 borrowers (comprising 11 individuals and 2 corporations) under the Company's loan portfolio. The Company provides its mortgage financing service to individual and corporate clients of different backgrounds, including home owners and investment holding company, who are referred to it by sales executives. The money lending business was funded by the internal resources of the Group.

As at 31 March 2025, 11 loans with aggregate amount of approximately HK$28 million were overdue, 9 loans were supported by personal guarantee and/or secured by collaterals, with interest rate ranging from 8% to 16% per annum. A total of 10 cases with aggregate amount of approximately HK$28 million were under legal proceedings (including assets under public auctions).

As at 31 March 2025, the carrying amount outstanding from the five largest borrowers of the Group was approximately HK$38 million (representing approximately 93% of the total loans receivable of the Group) while the carrying amount outstanding from the largest borrower amounted to approximately HK$20 million (representing approximately 49% of the total loans receivable of the Group).

(b) Credit risk assessment policy

The Group has performed background and credit risk assessment on the potential borrowers before granting the loans by (a) conducting search on their identity and background; (b) reviewing and assessing their financial information; and (c) performing an assessment on their creditability.

The Group has adopted a credit policy to manage its money lending business which includes compliance with all applicable laws and regulations, credit assessment on potential borrower and his/its assets, the credibility of the potential borrower, the necessity in obtaining collaterals and determination of suitable interest rate to reflect the risk level of the provision of loan.

The Company's money lending business offers both secured and unsecured loans to borrowers comprising individuals and corporations. The Company has adopted a credit risk policy and put in place loan approval procedures to manage its money lending business which includes compliance with all applicable laws and regulations, credit assessment on potential borrower and his/its assets, the credibility of the potential borrower, the necessity in obtaining collaterals, assessment of the use of proceeds and the source of repayment. Details of such policy and procedures are all consolidated in an Internal Control Manual which governs the operations of our money lending business and relevant staff are required to abide by in conducting their behaviours and delivering their target performance. In granting loans to clients, documents such as loan application, proof of identity, employer/income verification, proof of address and any relevant credit reports of potential borrowers. The scope of money lending services provided by the money lending business generally includes personal loans and business loans for general working capital. The Company tries to diversify the loan portfolio by providing to different borrowers to lower the concentration risk. The Company does not have preference for specific types of borrowers for loan acceptance (e.g. job/business nature of borrower). The credit risk assessment was made on a case-by-case basis and the Company generally looks at the "5

Cs" in the assessment of credit risk of the borrowers, i.e. credit history, capacity to repay, capital, the loan's condition and associated collaterals. These include but are not limited to reviewing the financials of the borrowers, considering the borrower's repayment history and evaluating whether the borrowers are in bankruptcy, receivership or liquidation. Within a loan category, the interest rates, the duration of the loan and repayment terms of the loan vary and is determined by various factors such as background and credibility of borrowers, their business plans and present and projected operation performance, the collaterals or security to be made available by these borrowers, and their repayment track records (if the loan is sought by existing borrowers or former borrowers). The determination of the loan terms reflects the risk level of the provision of loan and ensure the risk is at a controllable level.

(c) Key internal controls

The Group also assesses and decides the necessity and the value of security/ collaterals for granting of each loan, whether to an individual or enterprise, on a case by case basis taking into account various factors, including but are not limited to, the repayment history, results of public search towards the borrower, the value and location of the assets owned by the borrower and the financial condition of the borrower.

For credit approval before granting loans to potential borrowers, the Company performs credit assessment to assess the potential borrowers' credit quality individually, such as their identity and background, assessment on their creditability and financial background (factors such as background and credibility of borrowers, their business plans and present and projected operation performance, the collateral security to be made available by these borrowers, and their repayment track records (if the loan is sought by existing clients) are considered), as well as the value and characteristics of the collaterals to be pledged. The loan proposals will be prepared by the designated loan officer and reviewed by the risk management department of the money lending business on case specific issues in relation to the factors described above to determine if they have been thoroughly considered. Risk management department of the money lending business will discuss each case in details with the loan officer to fine tune its loan proposal and risk management department will make official comments on the submission draft. The loan proposal together with the comments from risk management department will then be sent to the approver(s), who are Director(s) designated with such role and function for approval through physical meetings or emails. Approver(s) may also comment, add pre-conditions and improve the terms and conditions during this process. The relevant department head(s) and approver(s) will sign off the proposals once approval is obtained for proper record.

The Company has designated loan officer to closely monitor its loan portfolio, including regular communication with the borrowers on their financial position together with other measures such as monthly assessment of valuation of collaterals (if any), repayment track record of borrower(s), change of profile of borrower(s) (such as change of employment and if there is additional liabilities on the part of the borrower(s)), through which the Company will be able to keep updated with the latest credit profile and risk associated with each individual borrower and could take appropriate actions for recovery of a loan at the earliest time. Further, risk management department of money lending business, which comprised of officers with background in finance, auditing and experience in money lending business will review the risk level of each of the loans on a daily basis and report to the senior management, including, the chief executive officer, the financial controller and the Board and in some cases regularly on their recommendation. From time to time, the risk management department of the money lending business will alert the senior management on certain events (e.g. defaulted repayment) and advise the Company to take appropriate actions. The accounts department of the money lending business will also keep track of the repayment schedule constantly and make alerts to senior management, the financial controller and chief executive officer in case of failed or late repayment.

(d) Recoverability and collection

At the end of each month, the designated loan officer will check if there is any overdue balances or late payment and risk management department as described above and will perform an independent review on the loans portfolio and closely monitor the status and report to the senior management. Usually there would be internal discussions on a case-by-case basis on what recovery actions are to be taken so that the Company could recover as soon as and as much as possible in a timely manner. Various potential means like phones calls, seizure of collaterals, statutory demand letter and further legal actions would be discussed. Reminder letter and statutory demand will be issued to the borrower when considered appropriate if there is an overdue repayment. Where appropriate, legal action will be initiated against the borrower for the recovery of the amount due and taking possession of the collaterals pledged. Actions in seizure of collaterals and realization of underlying collaterals would also be taken if necessary. Where appropriate, the Company will also petition to the court for bankruptcy/winding-up of the borrower and/or guarantor. Again, the recovery and collection decisions and processes are included in the monthly risk management report to the senior management.

The director who operates and oversees the money lending business has extensive experiences and knowledge in the industry. The risk management department of the money lending business has a senior financial manager who holds a bachelor's degree in business and an associated degree in psychology, and has more than 15 years' experiences in the money lending industry. Each of the Company's management team, which includes the chief executive officer, the chief financial officer and the financial controller and the company secretary, possesses over 10 years of experiences in the corporate and banking industry and the field of accounting and auditing. Further, most of the Board members also possess extensive experiences in corporate financing, investments and banking and financial advisory services.

(e) Compliance with Chapter 14 and/or 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Money Lenders Ordinance

Our Group is required to, and has at all times, strictly comply with all relevant laws and regulations. The Company has complied with those requirements as set out in Chapter 14 and/or 14A of the Listing Rules when it granted or extended the loans to each of the respective borrower whose loan was still outstanding as at 31 March 2025.

In addition to the Listing Rules, the Money Lenders Ordinance is the major governance on our Group's money lending business in Hong Kong. During the Year, we did not receive any objection from and was not investigated by the Registrar of Money Lenders (currently performed by the Registrar of Companies) nor the Commissioner of Police regarding the renewal of the money lenders license.

(f) Amount of loan receivables secured by pledge of collaterals and guarantees, and nature of the collaterals

	31 March 2025 *HK$'million*	31 March 2024 *HK$'million*
Hong Kong money lending business		
– Secured only by corporate notes, shares and properties	**28**	30
– Secured only by corporate notes, receivable and properties and personal guarantees	**–**	17
– Unsecured and no guarantee	**13**	–
	41	47

(g) Maturity profile of loan receivables

	31 March 2025 *HK$'million*	31 March 2024 *HK$'million*
Hong Kong money lending business		
Due within 1 year	**41**	47
	41	47

(h) Mortgage loan and personal loan interest rate

The mortgage loan interest rate ranges from 8% to 15% per annum (2024: 8% to 15% per annum). The personal loan interest rate ranges from 10% to 16% per annum (2025: 11% to 16% per annum).

(i) Reasons for the movements in impairment provisions in the Year

The provision of impairment recognised in the consolidated statement of profit and loss for Year is approximately HK$10 million (2024: provision of approximately HK$88 million). The provision of impairment was due to loan of approximately HK$229 million being overdue.

The Company adopted the requirements in respect of ECL assessment set forth in HKFRS 9 issued by the HKICPA in determining the impairment loss allowance for its loan receivables. The details of the accounting policies in respect of the impairment assessment of financial assets are set out in the consolidated financial statements of the Group in the Annual Report. The Company has taken into account the following factors on the impairment assessment for the outstanding loans and unlisted debt securities due from the connected parties and independent third parties in accordance with the HKFRS 9: (i) the probability of default and the likelihood that the borrowers may fail to repay the loans. The Company will perform due diligence on the financial statements and consider the macro-environment and the latest announcements of the borrowers. The repayment history of the borrowers will also be taken into account; (ii) the loss given default and the expected cash shortfall between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. The Company will consider the value of the collaterals pledged for the loans, if any; and (iii) forward-looking market data such as gross domestic product will also impact on the recoverability of the loans. The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

As at 31 March 2025, the management had engaged an independent qualified valuer to determine the expected credit losses of the Group's loans receivable (the "**Loans Receivable ECL**"). In assessing the Loans Receivable ECL of the Group, a credit rating analysis of the underlying debtors was adopted by reviewing the historical accounting information to estimate the default risk. The Group applied different expected loss rates to different classes of receivables according to their respective risk characteristics. In determining the default risk, factors including but not limited to, the ageing analysis of the receivables, the Group's internal assessment of the debtors' credit worthiness, historical and forecast occurrence of event of default, existence and valuation of the collaterals, the relevant regulatory framework and government policies in Hong Kong and global economic outlook in general and the specific economic condition of Hong Kong would be considered. The rate of Loans Receivable ECL ranged from 39% to 100% depending on the nature (2024: 34% to 100%), probability of default and loss of the loans receivable.

Securities investment business

The Group had various securities in its investment portfolio such as listed equity securities, unlisted equity securities, unlisted funds, unlisted debts, etc. A fair value loss of approximately HK$29 million was recorded during the Year (2024: approximately HK$242 million).

Property leasing business

During the Year, the rental income derived from the self-owned commercial property at 55 Mark Lane, London, the United Kingdom contributed revenue of approximately HK$50 million (2024: approximately HK$54 million) and the fair value loss on investment property was approximately HK$419 million (2024: fair value loss of approximately HK$89 million) resulting from the decline in market value of the property during the Year.

Property development business

The Group has property development projects in Cambodia and Malaysia. In Cambodia, the Council of Ministers approved the project company to establish a special economic zone with a site area of 17,252,519 square meters at Koh Kong Province, Cambodia. The project company shall have the sole and exclusive right to develop the special economic zone with all the necessary land use rights, including those for residential, industrial and commercial development purposes. The project was still in its preliminary stage during the Year.

The Group has another property development project in Malaysia. The project is a residential and commercial mixed property development project located at Port Dickson, Negeri Sembilan, Malaysia with a site area of 267,500 square meters (or 2,879,343 square feets). The property is held for a lease term of 99 years expiring on 8 February 2097 for residential and commercial building uses. The project was still in its preliminary stage during the Year.

FINANCIAL REVIEW

The Group had incurred a loss of approximately HK$1,071 million for the Year (2024: approximately HK$809 million). Such loss was mainly attributable to the fair value loss on investment properties of approximately HK$419 million (2024: approximately HK$89 million), the net fair value losses in financial assets at fair value through profit or loss of approximately HK$29 million (2024: approximately HK$242 million), provision for impairment loss on financial assets (expected credit losses) of approximately HK$142 million (2024: approximately HK$74 million), share of losses of associates at approximately HK$94 million (2024: approximately HK$325 million), provision for impairment loss on intangible assets of approximately HK$167 million (2024: nil) and finance cost of approximately HK$125 million (2024: approximately HK$141 million).

Revenue

During the Year, the total revenue was approximately HK$195 million (2024: approximately HK$228 million), representing a decrease by approximately HK$33 million, or approximately 14.5%. Such decrease was mainly attributable to the decrease in revenue generated from rental and sales of construction machinery and spare parts.

Sales of construction machinery and spare parts, rental income from construction machinery and repair and maintenance and transportation service income

During the Year, the sales of construction machinery and spare parts, rental income generated from construction machinery and income from provision of repair and maintenance and transportation services were approximately HK$22 million (2024: approximately HK$21 million), approximately HK$106 million (2024: approximately HK$136 million) and approximately HK$6 million (2024: approximately HK$6 million), respectively. The decrease in rental income was mainly attributable to the decline in machinery occupancy rate of 70% (2024: 85%) as some major construction sites (e.g. Hong Kong International Airport 3rd runway and Tseung Kwan O – Lam Tin Tunnel) have been completed in recent years without supplemented with new and substantial infrastructure project.

Money lending services and, asset management, securities brokerage and other financial services

During the Year, the revenue from money lending services and, asset management, securities brokerage, and other financial services were approximately HK$11 million (2024: approximately HK$11 million).

Fair value losses on financial assets at fair value through profit or loss ("FVTPL"), net

The details of the Group's securities investments and the net fair value losses recognised for the Year are set out as follows:

		Number of shares held at 31 March 2024	Percentage of shareholdings at 31 March 2024	Number of shares held at 31 March 2025	Percentage of shareholdings at 31 March 2025	Fair value at 31 March 2024	Fair value at 31 March 2025	Fair value (losses)/gains for the Year	Percentage of total assets of the Group at 31 March 2025
	(Notes)				*(note 1)*	*HK$'million*	*HK$'million*	*HK$'million*	
Name (Stock Code)									
Shandong Hi-Speed Holdings Group Limited (412)		3,000	0.00%	3,000	0.00%	–	–	–	–
Imperial Pacific International Holdings Limited (1076)		203,100,000	1.91%	–	–	13	–	(13)	–
Virtual Mind Holding Company Limited (1520)	*2*	283,994,000	13.11%	70,998,500	10.59%	36	31	(5)	0.96%
Wealthink AI Innovation Capital Limited (1140)	*3*	29,880,000	0.28%	29,880,000	0.28%	4	2	(2)	0.06%
Minerva Group Holding Limited (397)		8,000,000	0.32%	8,000,000	0.32%	1	1	–	0.03%
HG Semiconductor Limited (6908)		1,500,000	0.20%	–	–	1	–	2	–
Asia Energy Logistics Group Limited (351)	*4*	30,650,000	1.53%	30,650,000	1.53%	8	3	(5)	0.09%
China Dili Group (1387)									
Zhixin Group Holding Limited (2187)		15,186,000	2.03%	–	–	15	–	(5)	–
CITIC Securities Company Limited (6030)		–	–	–	–	–	–	4	–
Future Data Group Limited (8229)	*5*	–	–	12,300,000	2.25%	–	5	(1)	0.15%
Shenwan Hongyuan Group Co., Ltd. (6806)		–	–	–	–	–	–	(2)	–
Pharmaron Beijing Co., Ltd. (3759)		–	–	–	–	–	–	(2)	–
VNET Group Inc (NASDAQ: VNET)		330,000	0.22%	–	–	4	–	2	–
HSI/2410		–	–	–	–	–	–	(2)	–
Finance Lease Investment SP		N/A	N/A	N/A	N/A	33	33	–	1.02%
Convertible note receivable		N/A	N/A	N/A	N/A	4	5	–	0.15%
						119	80	(29)	2.46%

Notes:

1. The percentage of shareholdings is calculated with reference to the monthly return of equity issuer on movements in securities of the issuers for the month ended 31 March 2025 of the issuers publicly available on the website of the Stock Exchange.

2. Virtual Mind Holding Company Limited ("**Virtual Mind**") and its subsidiaries ("**Virtual Mind Group**") were principally engaged in the design, manufacturing and trading of apparels, provision of money lending services and sale of trendy and cultural products.

   Pursuant to Virtual Mind Group's annual report for the year ended 31 December 2024, Virtual Mind Group recorded revenue of approximately HK$130 million and total comprehensive expense of approximately HK$79 million.

   The Group held approximately 284 million and 71 million shares of Virtual Mind as at 31 March 2024 and 2025 respectively.

3. Wealthink AI-Innovation Capital Limited ("**Wealthink**") and its subsidiaries ("**Wealthink Group**") has a principal investment objective to achieve earnings in the form of medium to long term capital appreciation through investing in a diversified portfolio of global investments in listed and unlisted enterprises.

   Pursuant to the interim report of Wealthink Group for the six months ended 30 September 2024, Wealthink Group recorded revenue of approximately HK$250 million and total comprehensive income of approximately HK$97 million.

   The Group held approximately 30 million shares of Wealthink as at 31 March 2024 and 2025.

4. Asia Energy Logistics Group Limited ("**Asia Energy**") and its subsidiaries ("**Asia Energy Group**") were principally engaged in the (i) shipping and logistics business and (ii) telecommunications related business.

   Pursuant to Asia Energy Group's annual report for the year ended 31 December 2024, Asia Energy Group recorded revenue of approximately HK$48 million and total comprehensive expense of approximately HK$31 million.

   The Group held approximately 31 million shares of Asia Energy as at 31 March 2024 and 2025.

5. Future Data Group Limited ("**Future Data**") and its subsidiaries ("**Future Data Group**") were principally engaged in the provision of integration of systems with network connectivity, cloud computing and security elements and maintenance services.

   Pursuant to Future Data's annual report for the year ended 31 December 2024, Future Data Group recorded revenue of approximately HK$438 million and total comprehensive expense of approximately HK$36 million.

   The Group held nil and approximately 12 million shares of Future Data as at 31 March 2024 and 2025 respectively.

The Group had various securities in its investment portfolio such as listed equity securities, unlisted equity securities, unlisted funds, unlisted debts, etc. A fair value loss of approximately HK$29 million was recorded during the Year (2024: approximately HK$242 million).

Fair value loss on investment properties

During the Year, a fair value loss of approximately HK$419 million (2024: approximately HK$89 million) was recognised for investment properties of the Group resulting from the decline in market value of self-owned commercial property at 55 Mark Lane, London, the United Kingdom.

Administrative expenses

During the Year, the administrative expenses were approximately HK$114 million (2024: approximately HK$124 million), representing a decrease of approximately 8.1% as compared with the Previous Year. Among the administrative expenses incurred during the Year, approximately HK$16 million (2024: approximately HK$18 million) was related to depreciation and non-cash in nature; approximately HK$48 million (2024: approximately HK$49 million) were related to staff costs.

Provision for impairment losses on intangible assets

Based on the impairment testing on intangible assets, provision for impairment loss on intangible assets of approximately HK$167 million (2024: nil) has been recognised in profit or loss for the Year.

Provision for expected credit losses on financial assets

During the Year, the Group recognised provision for expected credit losses on financial assets of approximately HK$142 million (2024: approximately HK$74 million). The Group has engaged an independent professional valuer for assessing the allowance for expected credit losses on financial assets.

Share of results of associates

During the Year, the share of losses of associates of approximately HK$94 million (2024: approximately HK$325 million) was mainly attributable to the sharing of loss of the Group's investment in Cambodia, reflecting the change in fair value of the land held by the project company of the Group in Cambodia.

Finance costs

During the Year, the finance costs were approximately HK$125 million (2024: approximately HK$141 million), representing a decrease of approximately HK$16 million as compared with the Previous Year because of the decrease in bank and other borrowings during the Year.

Taxation

During the Year, the net income tax credit was approximately HK$10 million (2024: approximately HK$14 million).

Fair value losses on financial assets at fair value through other comprehensive income ("FVTOCI"), net

The details of the listed securities investments and the net fair value losses recognised during the Year are set out below:

	Note	Percentage of shareholdings at 31 March 2024	Percentage of shareholdings at 31 March 2025	Fair value at 31 March 2024	Fair value at 31 March 2025	Fair value (losses)/gain for the Year	Percentage of total assets of the Group at 31 March 2025
				HK$'million	*HK$'million*	*HK$'million*	
Name							
Unlisted equity securities							
Goodwill International (Holdings) Limited		7.54%	7.54%	3	3	–	0.09%
Co-Lead Holdings Limited	*1*	1.04%	1.04%	13	6	(7)	0.19%
Quan Yu Tai Investment Company Limited	*2*	15%	15%	70	60	(10)	1.83%
Tonsin Petrochemical Investment Ltd		16.67%	16.67%	36	–	(36)	–
China Pearl Global Limited	*3*	10.00%	10.00%	301	255	(46)	7.86%
Empire Victory Hong Kong Limited		4.11%	4.11%	9	–	(9)	–
Imagi Jue Ming Limited	*4*	–	18.00%	–	12	2	0.37%
Listed equity securities	*5*	1.27%	1.25%	15	37	22	1.14%
				447	373	(84)	11.48%

Notes:

1. Co-lead Holdings Limited is principally engaged in trading of securities, provision of finance and holding of investments in financial services industry.

2. Quan Yu Tai Investment Company Limited holds 90% equity interest in He Ying Tung Investments Company Limited ("**He Ying Tung**"). He Ying Tung, through its various indirect wholly-owned or non-wholly owned subsidiaries, is principally engaged in property development in the PRC. He Ying Tung principally has 3 property projects under development located in the municipalities of Changsha, Chenzhou and Hengyang of Hunan Province, the PRC, mainly consisting of large-scale residential complex projects and integrated commercial complex projects, as well as apartments, offices, shopping arcades, cinemas and other supporting facilities.

3. China Pearl Global Limited, through its wholly-owned subsidiary, holds a shopping mall in Quanzhou, Fujian Province, the People's Republic of China with gross floor area of approximately 97,000 square meters (available lease out area of over 65,000 square meters) and 1,089 car parks, and it leases out the complex to lessees and provides property management services to the shopping mall.

4. Imagi Jue Ming Limited principally engages in the provision of business information advice, corporate management advice, investment advice (other than legal and compliance, and which required a license as specified under legal regulation), supply chain management and social economic advice (not including financial industry related advisory).

5. The investment represents equity securities of Oshidori International Holdings Limited ("**Oshidori**"). The Group held 77,500,000 shares of Oshidori as at 31 March 2024 and 2025.

Liquidity, financial resources and capital structure

As at 31 March 2025, the Group's current assets and current liabilities were approximately HK$530 million (31 March 2024: approximately HK$1,265 million) and HK$1,906 million (31 March 2024: approximately HK$2,214 million) respectively.

The Group has established a treasury policy with the objective of lowering cost of funds. Therefore, funding for all its operations have been centrally reviewed and monitored at the Group level. To manage the Group's exposure to fluctuations in interest rates on project, appropriate funding policies will be applied, including the use of bank and other borrowings, corporate note payables, convertible note payables and issue of placement shares. The management will continue its efforts in obtaining the most privileged rates and favourable terms to the Group for its financing.

Gearing ratio and indebtedness

The Group monitors its capital structure based on the gearing ratio. This ratio is calculated as net debts divided by total capital. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debts. The capital structure (including its gearing ratio) as at 31 March 2025 and 31 March 2024 was as follows:

	31 March 2025 ***HK$'million*** **(audited)**	31 March 2024 *HK$'million* (audited)
Bank and other borrowings	**1,219**	1,660
Corporate note payables		
– at amortised cost	**505**	520
– at FVTPL	**551**	539
Total borrowings	**2,275**	2,719
Less: cash and cash equivalents	**(132)**	(350)
pledged bank deposits	**(7)**	(15)
Net debts	**2,136**	2,354
Total equity	**744**	1,813
Total capital	**2,880**	4,167
Gearing ratio	**74.2%**	56.5%

As at 31 March 2025, the maturity and currency profile for the Group's bank and other borrowings and corporate note payables are set out as follows:

	Within 1 year	**2nd year**	**3–5 years**	**Total**
	HK$'million	*HK$'million*	*HK$'million*	*HK$'million*
GBP	800	–	–	800
HK$	914	6	4	924
	1,714	6	4	1,724

As at 31 March 2025, approximately 99% of the Group's borrowings are secured by (1) investment properties; (2) property, plant and equipment; (3) financial assets; and (4) bank deposits.

The borrowings with aggregate amounts of approximately HK$841 million were carried at fixed interest rates, and approximately HK$378 million were carried at floating interest rates.

As at 31 March 2025, cash and cash equivalents and pledged bank deposits were denominated in the following currencies:

	HK$'million
HK$	46
GBP	77
RMB	10
US$	4
JPY	1
EUR	1
	139

Interest rate risk

The Group's pledged bank deposits and finance lease receivables bear fixed interest rates. The Group's cash at bank balances bear floating interest rates. The Group also has borrowings, and obligation under finance leases. Exposure to interest rate risk exists on those balances subject to floating interest rate when there are unexpected adverse interest rate movements. The Group's policy is to manage its interest rate risk, working within an agreed framework, to ensure that there are no undue exposures to significant interest rate movements and rates are appropriately fixed when necessary.

Currency risk

The Group mainly operates in Hong Kong with most of the transactions denominated and settled in HK$, US$ and GBP. The Group's exposure to foreign currency risk primarily arises from certain financial instruments including trade receivables, bank balances and cash, trade payables, borrowings and obligation under finance leases which are denominated in US$ and EUR. The Group does not adopt any hedging strategy in the long run but the management continuously monitors the foreign exchange risk exposure and might enter into foreign exchange forward contracts on a case-by-case basis. The Group has not used any hedging contracts to engage in speculative activities.

Credit risk and liquidity risk

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

Risk management

The Group has established and maintained sufficient risk management procedures to identify and control various types of risk within the organisation and the external environment with active management participation and effective internal control procedures in the best interest of the Group and its shareholders.

Major post-balance sheet date events

Save as disclosed in note 13 to the financial statements in this announcement, there was no other significant or important subsequent event that affects the business of the Group.

Contingent liabilities

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

Employees and remuneration policy

As at 31 March 2025, the Group had 123 staffs (31 March 2024: 151). The Group generally recruits its employees from the open market or by referral and enters into employment contracts with its employees. The Group offers attractive remuneration packages to the employees. In addition to salaries, the employees would be entitled to bonuses, subject to the Company's and employees' performance. The Group provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for the eligible employees. The Group has also adopted a share option scheme and share award scheme.

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

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend to the shareholders of the Company for the Year (2024: nil).

MATERIAL ACQUISITIONS AND DISPOSALS

Deemed Disposal

On 18 March 2025, the shareholders of the Company have approved a placing agreement and the transactions contemplated thereunder (the "**Placing**"). Pursuant to the placing agreement dated 3 October 2024, HTICI, an indirect non-wholly-owned subsidiary of the Company, and the placing agent entered into the Placing Agreement, pursuant to which HTICI has conditionally agreed to place, through the placing agent on a best efforts basis, an aggregate of up to 1,524,224,000 placing shares in HTICI at the placing price of HK$0.4 per placing share to not less than six placees who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons.

As at 31 March 2025, the Company is a controlling shareholder (as defined under the Listing Rules of HTICI, holding 2,213,613,259 HTICI Shares, representing approximately 29.05% of the total issued share capital of HTICI. Assuming the maximum number of the placing shares are fully placed ("**Full Placing**") under the Placing, the shareholding interest of the Company in HTICI will be diluted from approximately 29.05% to approximately 24.20%, representing a decrease of approximately 4.85%. Accordingly, such dilution of shareholding interest in HTICI of the Company immediately after the completion of the Placing constitutes a deemed disposal transaction of the Company (the "**Deemed Disposal**") under Rule 14.29 of the Listing Rules. Assuming Full Placing, HTICI would no longer be a subsidiary of the Company and its financial results and financial positions would not be consolidated in the consolidated financial statements of the Group.

The Placing was completed on 12 May 2025, 125,000,000 placing shares in HTICI have been allotted and issued to placees. The shareholding interest of the Company in HTICI was diluted from approximately 29.05% to approximately 28.58% and thereafter HTICI is no longer a subsidiary of the Company since then.

* *For identification purposes only*

Formation of Joint Venture

On 29 March 2025, HTICI entered into a joint venture agreement (the "**JV Agreement**") with Jiangsu Lettall Electronic Co., Ltd. ("**Jiansu Lettall**") for the establishment, operation and management of a joint venture company (the "**JV Company**"), which will be owned by HTICI and Jiangsu Lettall as to 75% and 25% respectively. Pursuant to the JV Agreement, each of HTICI and Jiangsu Lettall agreed to provide a capital commitment in the sum of RMB300,000,000 and RMB100,000,000 respectively. The JV Company will become a subsidiary of HTICI and if HTICI remained a subsidiary of the Company, the operating results, assets and liabilities will be consolidated in the financial statements of the Group. Nevertheless, HTICI has ceased to be a subsidiary of the Company with effect from 12 May 2025.

The scope of business of the JV Company includes AI computing power leasing, AI data empowerment service, research and development and commercial cooperation on AI algorithm optimization and computing power technology upgrades, trading of equipments and facilities relating to AI computer power.

For further details, please refer to the Company's announcement dated 30 March 2025.

Save as disclosed above, the Group had not made any other material acquisition or disposal of subsidiaries and associates during the Year.

BUSINESS PROSPECTS

The year 2024/2025 was marked by significant global uncertainty, driven by ongoing political instability. These challenges adversely impacted the global economy, affecting trade dynamics, financial markets, and interest rates, necessitating a period of adjustment and recovery. As a result, economic uncertainty, market volatility, and geopolitical tensions are expected to continue affecting the global economic conditions throughout the year 2025/2026.

Given Hong Kong's outward-facing economy, both global and local factors will shape its financial landscape. The government deficit is anticipated to persist in the short to mid-term, impacting infrastructure investment priorities. Consequently, infrastructure development is expected to proceed at a moderate pace, reflecting fiscal constraints and prioritization of essential projects.

In view of these conditions, the Group's core revenue from machinery rental is expected to face continued pressure. Nonetheless, the Company's management remains proactive, closely monitoring infrastructure opportunities announced by the Hong Kong government to identify potential business opportunities. In addition, the Group is actively pursuing new investment opportunities, including artificial intelligence initiatives and strategic collaborations with potential investors, as part of its broader strategy to diversify operations and expand into emerging markets.

Following the Deemed Disposal, the machinery rental business are no longer consolidated into the Group's financial statements from May 2025 onwards. As a result, the Group's primary business focus in the coming years will be property leasing in the United Kingdom, ensuring a stable revenue stream and long-term sustainability. With a portfolio of long-term lease agreements, the Group remains well-positioned to maintain operational stability and explore potential growth opportunities within the property sector.

Despite the challenges ahead, the Group remains committed to resilience and sustainable growth. Through strategic adaptation, disciplined financial management, and the pursuit of new business opportunities, the Group will continue to strive for excellence, delivering long-term value and success to its shareholders.

Looking forward, the Group will remain cautious and sensibly uphold its risk management policies, strengthen its capital management and implement stringent cost control measures to secure shareholders' interest during economic downturn.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining sound and well-established corporate governance practices and procedures that are consistent with the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 to the Listing Rules. The corporate governance principles of the Company emphasise on a quality board of directors, sound internal control, transparency and accountability to all shareholders of the Company.

The Company has applied the principles and complied with all relevant code provisions of the CG Code throughout the Year, save and except Code Provisions C.2.1. Under code provision C.2.1 of the CG Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual. The Company has neither appointed a board member as the chairman of the Board nor appointed a chief executive officer. Having considered the business operation of the Group at the material time, it is believed that the Board, which consists of experienced professionals, can function effectively as a whole, and the executive Directors along with other members of senior management of the Company are effective in overseeing the day-to-day operation of the Company under the strong corporate governance structure in place.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct for Directors' securities transactions. The Company has made specific enquiry to all Directors and all Directors confirmed that they have fully complied with the Model Code for the Year.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

AUDIT COMMITTEE

The Company established an audit committee on 16 May 2006 with reference to "A Guide for the Formation of an audit committee" published by the Hong Kong Institute of Certified Public Accountants. The terms of reference of the audit committee are consistent with the code provisions as set out in the CG Code and are available on the Company's website. The audit committee has reviewed the audited consolidated financial statements for the Year and this announcement of the Company.

SCOPE OF WORK OF MOORE CPA LIMITED

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 Group's auditor, Moore CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Moore CPA Limited on the preliminary announcement.

EXTRACT OF AUDIT OPINION

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Scope Limitation Relating to the Going Concern Basis of Preparing the Consolidated Financial Statements

The Group recorded net current liabilities of HK$1,376 million as at 31 March 2025 and also reported a loss after tax of approximately HK$1,017 million.

As at 31 March 2025, the Group's total bank and other borrowings and corporate note payables amounted to HK$1,219 million and HK$505 million, respectively. Of which, other borrowings amounting to HK$800 million have breached loan covenants and HK$120 million of the corporate note payables have been overdue for repayment as at 31 March 2025. As at 31 March 2025, the Group's cash and cash equivalent only amounted to HK$132 million.

On 16 April 2025, the Group received a letter of reservation of rights and a demand letter (both dated 15 April 2025) from the agents of the lender of a mortgage loan of the Group's investment properties in the United Kingdom with an aggregate outstanding principal amount of approximately GBP79 million (equivalent to approximately HK$800 million) (the "**UK Loan**") as a result of default in repayment in full on the maturity date of 14 April 2025. The UK Loan is secured by the Group's investment properties located in London, the United Kingdom, with a fair value of approximately HK$1,059 million as at 31 March 2025.

On 17 April 2025, the Group received a letter of demand from a bank claiming for a sum of approximately HK$352 million due to failure to make punctual repayment of a loan. The said letter of demand includes: a loan with principal amount of HK$75 million with maturity date of 3 April 2025, and another loan with principal amount of HK$270 million (together with the defaulted HK$75 million loan, the "**HK Loans**").

The conditions described above indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern, and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have carried out a detailed review of the cash flow forecast of the Group for the next twelve months from the date of this report and have undertaken plans and measures to improve the Group's liquidity and financial position, details of which are set out in note 1(b) to the consolidated financial statements.

The consolidated financial statements have been prepared on a going concern basis on the bases and assumptions that the plans and measures would be successfully implemented, including the Group is able to obtain new source of financing to replace the UK Loan, financial support from the ultimate controlling shareholder of the Group, to the extent of the residual realisation amount of a personal property ("**Charged Property**"), will be obtained by the Group to settle the HK Loans, and a corporate note holder with outstanding balance of HK$370 million ("**Corporate Note Holder**") will grant an extension of repayment of the corporate note upon maturity on 17 September 2025. The validity of the adoption of the going concern basis depends on the successful outcome of the plans and measures referred to above, which are subject to material uncertainties, including: (i) negotiating with the potential lender to enter into a new loan to repay the UK Loan; (ii) realising the Charged Property to settle the HK Loans; (iii) negotiating with the Corporate Note Holder not to take action to demand for immediate repayment of the corporate note on maturity and grant an extension of repayment of the corporate note of eighteen months; and (iv) pledging or realising the Group's unsecured assets, to increase the working capital as and when needed, to increase the Group's internally generated funds.

Up to the date of this report, the Group has obtained draft term sheet from potential lender to replace the UK Loan and letter of support from the Group's ultimate controlling shareholder, confirming that she will provide financial support, up to the residual realisation amount of the Charged Property, to the Group and will not demand for repayment of such amount until the Group has the ability to do so.

However, no written contractual agreement from the potential lender or confirmation from the corporate note holder that grants extension of repayment, are available to the Group. The realisation plans of the Charged Property and the Group's unsecured assets are also not sufficiently detailed for us to assess their feasibility. In these circumstances, we are unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the use of the going concern basis for preparing the consolidated financial statements is appropriate.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities to current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

Going Concern and Mitigation Measures

In order to meet the Group's financial obligations as and when they fall due within the next twelve months, the directors of the Company have been undertaking a number of measures to improve the Group's liquidity and financial position, which included:

(i) The Group is actively negotiating with potential lenders to seek for new financing with a loan principal amount not less than or equivalent to approximately GBP99 million (equivalent to approximately HK$1 billion), in order to replace the UK Loan and maintain the working capital of the Group. Up to the date of this announcement, the Group has obtained draft term sheet from few international and sizeable financial institutions for further review and negotiation;

(ii) The Group is actively negotiating with the bank to extend the Loans. Up to the date of issuance of these consolidated financial statements, the Group has obtained confirmation from the substantial shareholder, Ms. Li Shao Yu, that she will provide financial support to the Company to repay the Loans if the Loans are unable to be extended, limited to the sales proceed from realising the Charged Property after settling the first legal charge;

(iii) The Group is actively negotiating with the a holder of corporate note with principal amount of HK$370 million to grant an extension of 18 months;

(iv) The directors of the Company is exploring any additional financial resources available to the Group to enhance the liquidity of the Group, including but not limited to, pledging or realising unsecured listed or unlisted equity investments.

PUBLICATION OF THIS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.acesogrouphk.com) and the Stock Exchange (www.hkex.com.hk). The 2024/25 annual report of the Company containing all information required by the Listing Rules will be despatched to relevant shareholders of the Company and available on the same websites in due course.

APPRECIATION

The Board would like to take this opportunity to express its sincere gratitude to the management team and staff for their hard work and contributions, and to our shareholders, investors and business partners for their trust and support.

By order of the Board of
Aceso Life Science Group Limited
Zhiliang Ou
Executive Director

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises two executive Directors, namely Dr. Zhiliang Ou, J.P. (Australia) and Mr. Fok Chi Tak; one non-executive Director, namely Ms. Jiang Yang; and three independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan, Mr. Lam Kwan Sing and Mr. Mak Yiu Tong.