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Million Hope Industries Holdings Limited
美亨實業控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1897)

ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2025

SUMMARY OF RESULTS

For the year ended 31 March 2025, Million Hope Industries Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) recorded revenue of HK\$412.2 million, representing a decrease of 31.7% as compared to that of HK\$603.5 million for the year ended 31 March 2024. The significant decrease in revenue was due to the delay or suspension of master programmes of the Group’s certain projects during the year and the downturn in property and construction markets. The major projects that generated revenue for the current year included residential development projects at K.I.L 11264 Ho Man Tin Station, TPTL 244 Pak Shek Kok and N.K.I.L 6579 Lung Cheung Road, renovation works at Branksome Crest and industry re-development at No. 22 Yip Shing Street.

The Group’s gross profit amounted to HK\$29.7 million in the current year, decreased by HK\$25.8 million or 46.5% as compared to that of HK\$55.5 million last year. The gross profit margin decreased from 9.2% last year to 7.2% this year as most projects were awarded at a thinner margin due to intense competition within the industry.

The consolidated profit attributable to owners of the Company for the current year was HK\$9.1 million, decreased by HK\$2.4 million or 20.9% as compared to HK\$11.5 million last year, mainly attributable to decrease in revenue and gross profit during the current year.

The drop in consolidated profit for the current year was partially netted off by (i) a reversal of impairment loss under expected credit loss model of HK\$1.1 million was made in the current year, compared to an impairment loss under expected credit loss model of HK\$1.5 million recognised in prior year in respect of trade debtors and contract assets; and (ii) the decrease in impairment loss under expected credit loss model recognised for the loan to a joint venture by HK\$5.5 million and the decrease in share of loss of such joint venture by HK\$6.6 million in the current year, as there was no impairment loss recognised on the residential properties under development in No. 55 Nga Tsin Wai Road, Kowloon Tong held by such joint venture.

The basic earnings per share and diluted earnings per share for the year were HK\$0.02, represented decrease of 33.3% as compared to HK\$0.03 for the prior year.

The net asset value of the Group as at 31 March 2025 amounted to HK\$524.2 million (31 March 2024: HK\$526.5 million). The decrease in the net asset value was mainly due to dividends paid to shareholders and repurchase of shares, netting off profits earned during the current year. Net asset value per share as at 31 March 2025 was HK\$1.29 (31 March 2024: HK\$1.28).

DIVIDEND

The Board has declared a second interim dividend (in lieu of a final dividend) of HK0.8 cent per share for the year ended 31 March 2025 (2024: HK1.7 cents per share) to shareholders whose names appear on the register of members of the Company on 18 July 2025. This, together with the first interim dividend of HK0.5 cent per share (2024: HK0.8 cent per share) distributed during the year, gives a total dividend of HK1.3 cents per share for the year (2024: HK2.5 cents per share). The second interim dividend will be paid on 1 August 2025 and shall be paid out of the Company's other reserves account.

CLOSURE OF REGISTER OF MEMBERS FOR SECOND INTERIM DIVIDEND

The register of members of the Company will be closed from 16 July 2025 to 18 July 2025, both days inclusive, for the purpose of determining the identity of members who are entitled to the second interim dividend for the year ended 31 March 2025. In order to qualify for the second interim dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 15 July 2025.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The register of members of the Company will be closed from 14 August 2025 to 19 August 2025, both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the Company's forthcoming annual general meeting (the "AGM") scheduled to be held on 19 August 2025. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 13 August 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

		2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
	<i>NOTES</i>		
Revenue	3	412,209	603,549
Cost of sales		<u>(382,536)</u>	<u>(548,089)</u>
Gross profit		29,673	55,460
Other income	5	10,893	7,518
Other gains and losses	6	(52)	641
Reversal of (impairment loss) under expected credit loss model, net			
– trade debtors and contract assets		1,130	(1,542)
– loan to a joint venture		–	(5,533)
Loss on change in fair value of investment properties		(2,000)	(1,100)
Administrative expenses		(28,776)	(30,804)
Share of result of a joint venture		(167)	(6,769)
Finance costs		<u>(1,513)</u>	<u>(2,113)</u>
Profit before taxation	7	9,188	15,758
Taxation	8	<u>(78)</u>	<u>(4,303)</u>
Profit for the year		<u><u>9,110</u></u>	<u><u>11,455</u></u>
Other comprehensive expense:			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations		<u>(437)</u>	<u>(4,451)</u>
Total comprehensive income for the year		<u><u>8,673</u></u>	<u><u>7,004</u></u>
Earnings per share			
basic (HK\$)	10	<u><u>0.02</u></u>	<u><u>0.03</u></u>
diluted (HK\$)	10	<u><u>0.02</u></u>	<u><u>0.03</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Investment properties		26,700	28,700
Property, plant and equipment		103,369	109,177
Right-of-use assets		4,836	4,371
Interest in a joint venture		—	—
Loan to a joint venture		76,978	74,754
Deferred tax assets		2,277	2,229
		<u>214,160</u>	<u>219,231</u>
Current assets			
Inventories		25,606	42,541
Debtors, deposits and prepayments	11	82,950	100,077
Contract assets		86,636	92,822
Tax recoverable		258	11
Cash and cash equivalents		218,597	193,326
		<u>414,047</u>	<u>428,777</u>
Current liabilities			
Trade and other payables	12	43,252	48,281
Provisions		16,888	15,721
Contract liabilities		1,458	622
Tax payable		5,557	10,085
Lease liabilities		664	183
Deferred income		24	57
		<u>67,843</u>	<u>74,949</u>
Net current assets		<u>346,204</u>	<u>353,828</u>
Total assets less current liabilities		<u>560,364</u>	<u>573,059</u>
Non-current liabilities			
Provisions		35,934	46,530
Lease liabilities		209	23
Deferred income		4	28
		<u>36,147</u>	<u>46,581</u>
		<u>524,217</u>	<u>526,478</u>
Capital and reserves			
Share capital	13	40,720	41,161
Reserves		483,497	485,317
		<u>524,217</u>	<u>526,478</u>

1. GENERAL

The Company was incorporated and registered in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of Cayman Islands. Its shares were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”) which is the functional currency of the Company.

The Company is an investment holding company and its subsidiaries are principally engaged in design, supply and installation of aluminium windows and curtain walls.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

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

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

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

3. REVENUE

The Group principally engaged in the design, supply and installation of façade and curtain walls systems, with a focus on curtain walls, aluminium windows and doors.

Disaggregation of revenue

By contract type

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Design, supply and installation for curtain walls, aluminium windows, doors and other products for new buildings (<i>notes i and ii</i>)	304,113	536,708
Design, supply and installation for aluminium windows, doors and other products for new buildings (<i>note ii</i>)	91,365	54,508
Repairing, maintenance and others (<i>note iii</i>)	16,731	12,333
Total	412,209	603,549

Notes:

- (i) The contract type involves aluminium windows, doors and other products in addition to curtain walls. The curtain walls are the principal products for the contract type and the principal revenue from this contract type is also from curtain walls.
- (ii) Other products represent balustrade, louvre, cladding, window wall, canopy and grille.
- (iii) Others mainly represent mock up, window testing and renovation works.

Performance obligations for contract with customers

The Group provides design, supply and installation of aluminium windows and curtain walls services under long-term contracts with customers. Such contracts are entered into before the design, supply and installation of aluminium windows and curtain walls services begin. The Group's supply and installation of aluminium windows and curtain walls enhances an asset that the external customers control as the Group performs. Revenue from provision of design, supply and installation of aluminium windows and curtain walls services is therefore recognised over time using output method, i.e. based on units of products installed or based on surveys of supply and installation of aluminium windows and curtain walls services completed by the Group to date as certified by independent surveyors appointed by the customers in relation to the work completed by the Group.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed. The contract assets are transferred to trade debtors when the rights become unconditional.

Retention money, prior to expiration of defect liability period, are classified as contract assets, which ranges from one to three years from the date of the practical completion of the construction. The relevant amount of contract asset is reclassified to trade debtors when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed-upon specifications and such assurance cannot be purchased separately.

Transaction price allocated to the remaining performance obligations for contracts with customers

Transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of reporting period and the expected timing of recognising revenue are as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	400,102	471,696
More than one year but not more than two years	356,987	313,337
	757,089	785,033

4. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment focuses on revenue analysis by contract type. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

Geographical information

Information about the Group's revenue from external customers is presented based on the geographical location of the projects:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	399,600	602,858
Mainland China	12,609	691
	<u>412,209</u>	<u>603,549</u>

Information about the Group's non-current assets (excluding deferred tax assets and financial instruments) is presented based on the location of assets:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	124,122	130,100
Mainland China	10,783	12,148
	<u>134,905</u>	<u>142,248</u>

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer a	210,902	327,723
Customer b	N/A ¹	89,481
Customer c	N/A ¹	84,225

¹ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income from:		
– Bank	7,613	3,216
– Loan to a joint venture	890	806
Sales of scrap materials	697	2,380
Rental income	965	960
Government grants	57	56
Others	671	100
	<u>10,893</u>	<u>7,518</u>

6. OTHER GAINS AND LOSSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Exchange (losses) gains	<u>(52)</u>	<u>641</u>

7. PROFIT BEFORE TAXATION

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging (crediting):		
Directors' emoluments		
Fees	2,274	2,200
Other emoluments	4,444	3,981
	<u>6,718</u>	<u>6,181</u>
Other staff costs		
Salaries and other benefits	88,807	87,096
Retirement benefits scheme contributions for other staff	6,630	6,454
	<u>95,437</u>	<u>93,550</u>
Total staff costs	102,155	99,731
Less: Staff costs included in cost of inventories	<u>(17,844)</u>	<u>(15,987)</u>
	<u>84,311</u>	<u>83,744</u>
Depreciation of right-of-use assets	827	413
Depreciation of property, plant and equipment	6,581	6,743
Less: Depreciation expenses capitalised in inventories	<u>(1,639)</u>	<u>(1,730)</u>
	<u>5,769</u>	<u>5,426</u>
Auditor's remuneration	1,520	1,630
Cost of inventories recognised as expenses	<u>182,303</u>	<u>232,215</u>

8. TAXATION

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
The taxation charge (credit) comprises:		
Current taxation		
Hong Kong Profits Tax		
Current year	126	4,918
Over-provision	—	(110)
	<u>126</u>	<u>4,808</u>
Deferred taxation	<u>(48)</u>	<u>(505)</u>
	<u><u>78</u></u>	<u><u>4,303</u></u>

Hong Kong Profits Tax for both years is calculated at 16.5% of the estimated assessable profits for the year, except for the group entity which is a qualifying corporation under the two-tiered profits tax rates regime. For this group entity, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Under the Law of the Peoples's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%. No provision for taxation in the PRC recognised for the years ended 31 March 2024 and 2025 as there was no assessable profit for both years.

9. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2025 first interim dividend – HK0.5 cent per share (2024: 2024 first interim dividend – HK0.8 cent per share)	2,047	3,300
2024 second interim dividend – HK1.7 cents per share (2024: 2023 second interim dividend – HK1.7 cents per share)	<u>6,987</u>	<u>7,071</u>
	<u>9,034</u>	<u>10,371</u>
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Proposed second interim dividend for the financial year ended 31 March 2025 of HK0.8 cent per share (2024: for the financial year ended 31 March 2024 of HK1.7 cents per share)	<u>3,255</u>	<u>6,991</u>

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company for the year is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<u>Earnings</u>		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u>9,110</u>	<u>11,455</u>
	Number of shares	
	2025	2024
<u>Weighted average number of shares</u>		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>409,688,320</u>	<u>413,573,849</u>

The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share has been taken into account the ordinary shares repurchased from the market during the years ended 31 March 2025 and 2024 and subsequently cancelled after the respective reporting date.

The diluted earnings per share for the year ended 31 March 2025 and 2024 has not included the effect from the Company's share options because the exercise prices of the share options were higher than the average market price of the shares of the Company.

11. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group allows a credit period of 30 to 90 days to its customers. Before accepting any new customer, the Group will internally assess the credit quality of the potential customers and define appropriate credit limit. Other receivables are unsecured, interest-free and repayable on demand.

The following is an aged analysis of the trade debtors presented based on the right to consideration became unconditional/invoice date at the end of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	18,179	24,234
31 – 60 days	32,043	32,921
61 – 90 days	5,282	–
Over 90 days	17,254	32,633
	<u>72,758</u>	<u>89,788</u>

12. TRADE AND OTHER PAYABLES

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	2,928	3,310
31 – 60 days	4	61
61 – 90 days	202	20
Over 90 days	3,941	707
	<u>7,075</u>	<u>4,098</u>

13. SHARE CAPITAL

	Number of shares	Share capital <i>HK\$'000</i>
Ordinary shares of HK\$0.1 each		
Authorised:		
As at 1 April 2023, 31 March 2024 and 31 March 2025	<u>5,000,000,000</u>	<u>500,000</u>
Issued and fully paid:		
At 1 April 2023	417,601,630	41,760
Repurchased and cancelled (<i>Note</i>)	<u>(5,988,000)</u>	<u>(599)</u>
At 31 March 2024	411,613,630	41,161
Repurchased and cancelled (<i>Note</i>)	<u>(4,418,000)</u>	<u>(441)</u>
At 31 March 2025	<u>407,195,630</u>	<u>40,720</u>

Notes: During the year ended 31 March 2025, the Company repurchased 4,228,000 shares (2024: 5,024,000 shares) on the market for an aggregated consideration paid of approximately HK\$1,879,000 (2024: HK\$2,174,000), in which 4,178,000 shares (2024: 4,784,000) shares were cancelled during the year and 50,000 shares (2024: 240,000 shares) were cancelled after the reporting date. In addition, during the year ended 31 March 2025, 240,000 shares (2024: 1,204,000 shares) repurchased in prior year were cancelled during the year.

OPERATIONS REVIEW

Overview

For the year ended 31 March 2025, the Group's revenue was HK\$412.2 million compared with that of HK\$603.5 million last year.

The total outstanding amount of contracts on hand as at 31 March 2025 for the Group amounted to HK\$757.1 million.

Major Project Completed During the Year

- (1) Residential development at TMTL 483, Siu Hong, Tuen Mun, New Territories – Design, supply and installation of curtain wall system
- (2) Residential development at N.K.I.L. 6579, Lung Cheung Road, Kowloon – Design, supply and installation of curtain wall system, aluminium window/louvre, glass and metal works
- (3) Residential development at TPTL 244, Pak Shek Kok, Tai Po, New Territories – Design, supply and installation of curtain wall system, phase 2 (T1 to T9, T17A & T17B)
- (4) Residential development at Ho Man Tin Station Package One, K.I.L. 11264, Kowloon – Design, supply and installation of window and louvre
- (5) Residential development at Ho Man Tin Station Package One, K.I.L. 11264, Kowloon – Design, supply and installation of external facade works
- (6) Rectification of aluminium windows for T2 for Dynasty Court

Major Projects Undertaken During the Year

- (1) Residential development at TPTL 230, Tai Po Road, Tai Po Kau, New Territories – Design, supply and installation of curtain wall, canopies, windows, doors, claddings, louvres and glass balustrades
- (2) Residential development at TMTL 496, So Kwun Wat, Tuen Mun, New Territories – Design, supply and installation of aluminium windows and curtain wall system
- (3) Industry re-development at No. 22 Yip Shing Street, Kwai Chung, Kowloon – Facade works (curtain wall) installation
- (4) Residential development at Site F, the Southside Package Six Property Development, Aberdeen Inland Lot No. 467, Hong Kong – Design, supply and installation of curtain wall system, sliding door, bi-folding door, glass wall and skylight
- (5) Renovation works at Branksome Crest, No. 3A Tregunter Path, Hong Kong – Design, supply and installation of facade works

Major Projects Awarded During the Year

- (1) Subsidized sale flats project at Kai Tak Area 2B1 – Design, supply and installation of aluminium windows, glazed doors and podium glass works
- (2) Industry re-development at No. 18 Lee Chung Street, Chai Wan, Hong Kong – Design, supply and installation of facade works
- (3) Residential development at Lot No. 2413 in DD121, Tong Yan San Tsuen, Yuen Long, New Territories – Design, supply and installation of curtain wall system, glass and metal works
- (4) Public housing development at Pik Wan Road Site B, Yau Tong, Kowloon – Design, supply and installation of aluminium window and louvre
- (5) Residential development at RBL 1221, No. 2, 4, 6 and 8 Mansfield Road, The Peak, Hong Kong – Design, supply and installation of curtain walls, metal claddings, aluminium windows, sliding doors and folding doors (Towers 2A and 2B)
- (6) Public Housing Developments at Kam Sheung Road Site 6 (Phases 1 and 2), Yuen Long, New Territories – Design, supply and installation of aluminium works and louvres

FINANCIAL REVIEW

Group Liquidity and Financial Resources

The Group mainly financed its operations through internally generated cash flows and utilised the banking facilities for performance bonds for carrying out its projects during the year ended 31 March 2025. In the long term, the directors of the Company believe that the Group's operation will continue to be financed in this way. The Group had access to facilities from banks with an aggregate amount of HK\$450.0 million, of which HK\$122.8 million has been utilised for performance bonds as at 31 March 2025. There was no bank loans drawn down by the Group as at 31 March 2025. The performance bonds under these banking facilities bear charges at prevailing market condition.

The Group is prudent in managing its cash balance and maintains sound cash flow generating capability. The total cash and bank balances of the Group amounted to HK\$218.6 million as at 31 March 2025 (31 March 2024: HK\$193.3 million), which accounted for 52.8% of the current assets (31 March 2024: 45.1%).

During the year ended 31 March 2025, the Group had a net cash inflow of HK\$31.8 million in its operating activities (mainly due to decrease in inventories, debtors and contract assets), a net cash inflow of HK\$5.1 million in its investing activities (mainly due to the interest received) and a net cash outflow of HK\$11.6 million in its financing activities (mainly due to dividends paid and amounts paid for share repurchase). As at 31 March 2025, the Group was in a net cash position as there was no bank loans outstanding and the gearing ratio was not applicable. As at 31 March 2025, the Group's net current assets was HK\$346.2 million (31 March 2024: HK\$353.8 million) and the current ratio (current assets divided by current liabilities) was 6.1 times (31 March 2024: 5.7 times).

With its sufficient cash balances and banking facilities available, the Group's liquidity position will remain healthy in the coming year, with sufficient financial resources to meet its obligations, operation and future development requirements.

Treasury Policy

The Group's treasury policy aims to minimise its exposure to fluctuations in the exchange rate and not to engage in any highly leveraged or speculative derivative products. Foreign currency exposures of the Group arise mainly from the purchase of raw materials using Renminbi in the Mainland China. The Group currently does not have any hedging arrangements to control the risks related to fluctuations in exchange rates, and will determine if any hedging is required, depending upon the size and nature of the exposure, and the prevailing market circumstances.

The Group does not have significant exposure to gains or losses arising from the movement of foreign currency exchange rate against the Hong Kong dollar as most of the income, expenses, assets and liabilities of the Group are denominated in Hong Kong dollar.

Shareholders' Funds

As at 31 March 2025, the shareholders' funds of the Group were HK\$524.2 million, including reserves of HK\$483.5 million, a decrease of HK\$1.8 million from HK\$485.3 million as at 31 March 2024. The consolidated net asset value of the Group as at 31 March 2025 was HK\$1.29 per share, compared to the consolidated net asset value of HK\$1.28 per share as at 31 March 2024. The decrease in shareholders' funds was mainly attributable to the dividends paid to shareholders and repurchase of shares, netting off profits earned during the current year.

Capital Structure

The capital structure of the Group consists of equity, comprising share capital and reserves. As at 31 March 2025 and 31 March 2024, there was no bank loans.

Investment in a Joint Venture

The Group's investment in a joint venture as at 31 March 2025 represented its 50% interest in the residential redevelopment project at No. 55 Nga Tsin Wai Road, Kowloon, Hong Kong, comprised loan to a joint venture of HK\$77.0 million (31 March 2024: HK\$74.8 million). The shared loss of the joint venture during the year ended 31 March 2025 amounted to HK\$0.2 million (for the year ended 31 March 2024: HK\$6.8 million). The significant shared loss of the joint venture in the prior year was mainly resulted from the impairment loss recognised on the residential properties under development held by such joint venture.

Major Acquisitions and Disposals

There was no material acquisitions and disposals that should be notified to the shareholders of the Company during the year ended 31 March 2025.

Details of Charges on Assets

As at 31 March 2025, the Group did not pledge any assets to banks or other financial institutions (31 March 2024: nil).

Performance Bonds and Contingent Liabilities

As at 31 March 2025, the Group had outstanding performance bonds in respect of construction contracts amounting to HK\$122.8 million (31 March 2024: HK\$117.7 million).

A subsidiary of the Company provided a corporate guarantee of proportionate share to a bank for securing a banking facility granted to a joint venture to finance the residential redevelopment in No. 55 Nga Tsin Wai Road, Kowloon Tong. As at 31 March 2025, 50% proportionate share of the bank loan balance is HK\$38.6 million (31 March 2024: HK\$38.2 million).

Save as disclosed above, the Group did not have significant contingent liabilities as at 31 March 2025 and 31 March 2024.

Commitment

The Group's share of the commitment made jointly with a joint venturer relating to a joint venture, but not recognised at the end of the reporting period is as follows:

	31.3.2025	31.3.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Commitment to provide loan	<u>85,255</u>	<u>86,755</u>

The Group will finance its portion of commitment from its internal resources.

Save as disclosed above, the Group had no material commitment as at 31 March 2025 (31 March 2024: nil).

Employees and Remuneration Policy

As at 31 March 2025, the Group had 256 full time employees (of which 116 employees were in the Mainland China). The Group offers competitive remuneration packages, including discretionary bonus and share option scheme, and depending on the position, cash allowances, to its employees. The Group also provides retirement schemes, medical benefits, on-the-job training to its employees and sponsors its employees to attend various external training courses.

BUSINESS REVIEW

Throughout the current year, the global tariff disputes initiated by the United States of America (USA) persisted. Various countries implemented countermeasures, including raising tariffs on USA imports, reducing exports to the USA, and seeking alternative markets. These actions have constrained overall international trade volumes, weakened economic and technological exchanges among nations, and indirectly impacted other economic activities such as service exports. Although the USA has temporarily suspended some tariff-related measures, the ultimate resolution remains uncertain. Concurrently, the ongoing Russia-Ukraine conflict, the Gaza war and Iran-Israel conflict presented significant risks to global economic development.

During the reporting period, Hong Kong interest rates remained elevated. Although interest rates fell during the reporting period, the one-month Hong Kong Interbank Offered Rate (HIBOR) still stood at 3.72% at the year-end. This high interest rate environment exerted pressure on the property sector. According to data from the Rating and Valuation Department, private domestic property prices in Hong Kong fell by 6.8% in 2024, reverting to 2016 levels, and declined by a further 1.18% in the first four months of 2025. Furthermore, as of March 2025, the potential supply of first-hand private residential units over the next three to four years will remain substantial at 105,000 units, which is expected to take several years to destock.

The hiking interest rates, declining property prices and large potential supply have led developers to generally slow down their development pace. Consequently, the number of projects available for the Group to bid on this year decreased, while price competition among industry peers has intensified, making successful bidding significantly more difficult. Even for awarded projects, anticipated gross profit margins are facing pressure. Market uncertainties have also prompted developers to adopt prudent strategies, including postponing or slowing down project progress, adjusting designs and materials to control costs, and exercising greater stringency in the disbursement of project payments. All these factors have negatively impacted the Group's revenue and gross profit.

Despite the challenging operating environment, the Group maintained a certain level of competitiveness thanks to its solid market reputation and established mutual trust with long-term developer partners. Some developers, even before launching formal tenders, have consulted the Group on specific projects. Past experience shows that even if the Group is not the lowest bidder, developers may still award contracts to the Group based on their recognition of the quality of the Group's products and services and its ability to meet project schedules. In this environment, the Group will remain committed to providing optimal products and services at reasonable prices to consolidate its relationship with customers and gain their long-term trust and support.

PROSPECTS

Since May this year, HIBOR has decreased notably, which is expected to effectively alleviate financing pressures on developers and reduce the mortgage burden for homebuyers. The market widely anticipates two interest rate cuts in the USA within the year, while the Eurozone, Australia, Canada and China have already commenced rate-cutting cycles, indicating the formation of a global low interest rate environment. Lower financing costs and reduced homeownership expenses should bolster developer confidence, support the stabilization of local property prices, and potentially accelerate development activities.

The Hong Kong SAR Government has launched multiple talent admission schemes since late 2022. By the end of April this year, over 470,000 applications were received, with more than 310,000 applications approved and nearly 210,000 talents having arrived in Hong Kong. As an international financial center bridging China and the world, Hong Kong's population is projected to continue growing, underpinning solid demand in the residential property market. Although current economic uncertainties have led some individuals to prefer renting over buying, pushing up rents, residential development demand is expected to bounce once these uncertainties subside.

To address housing needs, the Hong Kong SAR Government is actively promoting various public housing projects. The Group is currently involved in three such projects. The Government is expected to continue increasing investment in public housing development. The Group will pursue a dual-track of developing both public and private housing projects to achieve a balance between the two, aiming at stabilizing its revenue streams.

We foresee increasingly intense market competition, particularly with heightened participation from Mainland enterprises. The Group will steadfastly adhere to its principle of delivering quality services and products at reasonable prices. This approach will not only enhance the value of our clients' properties and mitigate future depreciation, but also foster mutually beneficial outcomes for all three parties, namely, the Group, clients, and users. Currently, the Group's contracts on hand amounted to approximately HK\$757 million, and revenue for the coming year is expected to remain stable. We will continue diligently building our reputation to seize opportunities as market conditions improve, so as to drive business growth.

CORPORATE GOVERNANCE

The directors of the Company recognise the importance of good corporate governance practices for protection of the interests of the shareholders and are keen on maintaining high standards of corporate governance. This is reflected in terms of a quality Board and the emphasis on transparency and accountability.

During the year ended 31 March 2025, the Company has complied with all the Code Provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) except for the following deviation:

- Code Provision C.1.6 of the CG Code stipulates that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders of the Company. Mr. Poon Kan Young, the independent non-executive director of the Company, was unable to attend the Company’s 2024 annual general meeting and extraordinary general meeting due to other important engagement.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the guideline for securities transactions by directors and employees who are likely to be in possession of inside information of the Company.

Specific enquiry has been made to all directors of the Company and all directors have confirmed that they have complied with the Model Code during the year ended 31 March 2025 or the period from the appointment date to 31 March 2025 (for the director appointed during the year). No incident of non-compliance of the Model Code by the employees was noted by the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2025, the Company repurchased 4,228,000 shares of the Company on the market, of which 1,276,000 shares and 2,952,000 shares were repurchased pursuant to the general mandate granted by the then shareholders at the annual general meetings held on 22 August 2023 and 20 August 2024 respectively. The aggregate consideration paid (excluding transaction costs) for this repurchase was approximately HK\$1,879,000. 4,178,000 shares of these repurchased shares were cancelled during the year and the remaining 50,000 shares were subsequently cancelled in June 2025.

Month of repurchase	Number of ordinary shares repurchased	Purchase price paid per share		Aggregate consideration paid (excluding transaction costs) HK\$'000
		Highest HK\$	Lowest HK\$	
April 2024	146,000	0.450	0.450	66
July 2024	780,000	0.450	0.385	336
August 2024	350,000	0.450	0.450	158
September 2024	84,000	0.435	0.410	35
October 2024	188,000	0.450	0.435	84
November 2024	1,180,000	0.450	0.435	527
December 2024	432,000	0.450	0.440	193
January 2025	76,000	0.450	0.445	34
February 2025	418,000	0.450	0.445	188
March 2025	<u>574,000</u>	0.450	0.445	<u>258</u>
	<u>4,228,000</u>			<u>1,879</u>

Save as disclosed above, during the year ended 31 March 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

The Board considered that the share repurchase demonstrated the confidence of the directors and senior management of the Company in the Group's performance and long-term development.

REVIEW OF ANNUAL RESULTS

The Group's consolidated financial statements for the year ended 31 March 2025 have been reviewed by the Audit Committee of the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements of the Group for the year as approved by the Board on 27 June 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

By order of the Board
Million Hope Industries Holdings Limited
Wong Sue Toa, Stewart
Chairman

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises:

Non-executive Chairman

Mr. Wong Sue Toa, Stewart

Non-executive Directors

Mr. Cha Mou Daid, Johnson
Mr. Chung Sam Tin Abraham
Mr. Tai Sai Ho

Executive Directors

Mr. Lee Cheuk Hung (*Managing Director*)
Mr. Wong Kin

Independent Non-executive Directors

Mr. Chau On Ta Yuen
Professor Hao Gang
Professor Ho Richard Yan Ki
Mr. Poon Kan Young
Mr. Yip Kai Yung

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.