



2025
Interim Report

K 建榮地基
KIN WING

**CHINNEY KIN WING
HOLDINGS LIMITED**
建業建榮控股有限公司*

(Incorporated in Bermuda with limited liability)
Stock Code : 1556

2025聯歡晚宴暨
慶祝建業建榮上市十周年

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* for identification purpose only



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Yuen-Keung CHAN (*Chairman*)
James Sing-Wai WONG
Wing-Sang YU (*Managing Director*)
Philip Bing-Lun LAM
Hon-Man WAI
Hoi-Fan LAM

Independent Non-Executive Directors

Siu-Chee KONG
Ivan Ti-Fan PONG
Robert Che-Kwong TSUI
Kit-Sum LING

AUDIT COMMITTEE

Siu-Chee KONG (*Chairman*)
Ivan Ti-Fan PONG
Robert Che-Kwong TSUI
Kit-Sum LING

REMUNERATION COMMITTEE

Robert Che-Kwong TSUI (*Chairman*)
Ivan Ti-Fan PONG
Yuen-Keung CHAN

NOMINATION COMMITTEE

Ivan Ti-Fan PONG (*Chairman*)
Robert Che-Kwong TSUI
Yuen-Keung CHAN
James Sing-Wai WONG
Siu-Chee KONG
Kit-Sum Ling (*Appointed on 28 August 2025*)

COMPANY SECRETARY

Anthony Ding-Him YU

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
The Bank of East Asia, Limited
Hang Seng Bank Limited
Shanghai Commercial Bank Limited
Bank of China (Hong Kong) Limited
China Construction Bank (Asia) Corporation Limited
Chong Hing Bank Limited

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
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REGISTERED OFFICE

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STOCK CODE

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CHAIRMAN'S STATEMENT

TO OUR SHAREHOLDERS

On behalf of the board (the "Board") of directors (the "Directors"), I am pleased to present to our shareholders the interim report of Chinney Kin Wing Holdings Limited (the "Company") together with its subsidiaries (the "Group") for the six months ended 30 June 2025. The Group's revenue in the reporting period increased by 9.4% to HK\$1,205.1 million from the previous corresponding period of HK\$1,102.1 million. The profit and total comprehensive income for the period under review was HK\$62.1 million, represented an increase of 12.5% as compared with the previous corresponding period of HK\$55.2 million.

INTERIM DIVIDEND

The Board does not propose the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

BUSINESS AND OPERATION REVIEW

The Group is engaged in foundation construction and ancillary services (the "Foundation Division"), and drilling and site investigation works (the "Drilling Division") for both public and private sectors in Hong Kong.

As at 30 June 2025, the Group had 21 and 46 projects in progress with contract sums of approximately HK\$3,472.4 million and HK\$1,118.0 million in the Foundation and Drilling Divisions, respectively.

OUTLOOK AND FUTURE PLANS

Hong Kong's economy expanded steadily in the second quarter of 2025, with real GDP rising 3.1% year-on-year. Growth was supported by sustained momentum in Asia particularly from the Mainland and ongoing government stimulus. However, global headwinds including renewed US tariff hikes and lingering inflation risks are expected to weigh on trade flows and put pressure on input costs.

The 2025–26 Hong Kong Budget reaffirmed the government's commitment to long-term infrastructure and housing. Capital works remain a key priority, with HK\$3.7 billion allocated to accelerate Northern Metropolis development, including the Northern Link railway. Approximately 13,700 residential units will be made available through land sales, railway development, and Urban Renewal Authority projects. While these measures provide a framework for future growth, the pace and scale of actual land delivery remain subject to market conditions and delivery risks. The five-year target to provide land for 80,000 private homes remains in place, although the near-term outlook for residential land activity is likely to stay subdued. Commercial land sales are currently on hold, but re-zoning proposals for residential use are under active review.

The construction sector showed mixed performance in early 2025. Public sector output posted a sharp rebound of 17.4% year-on-year driven by increased infrastructure spending. However, this rebound has yet to translate into broader sector-wide momentum. Private sector activity continued to diminish, falling 10.7% as developers stayed cautious in the face of high interest rates and oversupply in the residential market. Transport-related construction was particularly weak, down 19.4% year-on-year. The divergence between public and private sector performance underscores the need for a prudent and selective approach to project engagement.

Tender activity has intensified amid shrinking project pipelines. In particular, private sector tenders have seen heightened price competition, leading to aggressive bidding and further erosion of industry margins. In response, the Group has remained prudent and selective focusing on risk-adjusted returns rather than top-line volume. Preserving margins and managing exposure are central to our approach, especially in an uncertain macroeconomic environment.

Talent development and digital innovation are key to maintaining our long-term competitiveness. Since 2022, the Chinney Kin Wing Academy has served as a central platform for structured onboarding and ongoing knowledge sharing. We are actively investing in emerging technologies, particularly artificial intelligence (AI) applications and next-generation IT systems to support workflow automation and improve execution efficiency across departments. Our professional development programmes are expanding, with targeted AI training, IT upskilling, and CPD (Continuing Professional Development) initiatives, all of which contribute to developing a skilled, adaptable workforce.

Workplace safety is a core value embedded in our operations. Our safety-first culture not only protects our people and reduces incident risk, it also enhances retention, reinforces trust among clients, and strengthens our competitive position during tenders. We continue to embed proactive safety management into every stage of project delivery, from planning to execution.

The Group is strategically expanding its service capabilities and market reach through the development of its subsidiaries. DrillTech, a HOKLAS-accredited member of the Group, secured a new marine site investigation contract, marking a key milestone in its growth. DrillTech is also broadening its laboratory testing services to cover site investigation, instrumentation, marine groundworks, directional coring, and field testing enhancing its competitiveness in specialised tenders and multi-disciplinary projects. Everest Engineering Company Limited is actively pursuing opportunities in site formation, civil works, road, and drainage projects. Efforts to expand its licensing portfolio are ongoing, further supporting the Group's long-term diversification strategy. The Group will continue to prioritise capital investment in automation, modern equipment, and depot upgrades, while broadening our reach across both public and private foundation markets.

Social responsibility is an integral part of the Group's values. Guided by our ESG committee, we are advancing initiatives in carbon emissions monitoring, employee well-being, and community engagement. These efforts reinforce our commitment to sustainability and long-term stakeholder value.

Infrastructure continues to play a central role in Hong Kong's development agenda. The government's long-term vision for land creation and connectivity including progress on the Northern Metropolis supports steady demand for construction services. Against this backdrop, we maintain a cautiously optimistic outlook for the foundation industry. While challenges persist, particularly in the private sector, public infrastructure remains a key source of opportunity.

Looking ahead, the Group remains focused on strengthening operational resilience while capturing new growth opportunities across sectors. As cross-border collaboration deepens within the Greater Bay Area, we are pursuing alternative supply chain solutions to enhance cost saving and efficiency. In parallel, we are enhancing operational efficiencies, optimising resource allocation, and reinforcing risk controls to safeguard profitability.

The Group is committed to disciplined execution, innovation, and sustainable value creation. We are confident that our strategic priorities, risk management, digital investment, talent development, and operational excellence position us well to navigate ongoing volatility and deliver long-term growth. Our objective remains to generate enduring shareholder returns through a resilient business model and a steadfast focus on execution excellence.

APPRECIATION

On behalf of the Board, I would like to thank our Execution Panel, management team, and all staff for their unwavering commitment and contributions. I am also grateful to our business partners and shareholders for their continued trust and support. As we move forward, we remain committed to strengthening our core operations and delivering long-term sustainable growth together with the support of our stakeholders.

Yuen-Keung Chan
Chairman

Hong Kong, 28 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATION REVIEW

REVENUE

The Group's revenue increased by 9.4% from previous year's corresponding period of HK\$1,102.1 million to current reporting period of HK\$1,205.1 million, with an increase of HK\$103.0 million. The increase of revenue was primarily attributed to the contribution of our Foundation Division from last period of HK\$805.8 million to current period under review of HK\$1,036.7 million, with an increase of HK\$230.8 million or 28.6%. The increase of revenue in the Foundation Division was due to the satisfactory performance of several foundation and pile cap works contracts in the reporting period. The increased revenue of Foundation Division was partially set-off by the decreased revenue of the Drilling Division from previous period of HK\$296.2 million to current reporting period of HK\$168.4 million, representing a decrease of 43.1% or HK\$127.8 million. The decrease of revenue contribution from the Drilling Division was primarily due to higher-value contracts were progressing toward finalisation.

GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's total gross profit in the reporting period was HK\$189.5 million as compared with the previous corresponding period of HK\$174.5 million, represented an increase of HK\$15.1 million or 8.6%. The gross profit margin of the Group decreased slightly from previous period of 15.8% to current reporting period of 15.7%. The increase of gross profit was attributed to the increase of the Group's revenue and the satisfactory progress of our construction projects. The slightly decrease of the gross profit margin was attributed to the intensified competition on securing new projects. The Group had persistently implemented stringent project cost control by closely monitoring of the construction progress as well as the corresponding construction costs incurred in ensuring the maximisation of contract profits.

OTHER INCOME AND GAINS

The Group recorded other income and gains in the current reporting period of HK\$15.7 million, representing an increase of HK\$5.0 million or 46.8% as compared with the previous corresponding period of HK\$10.7 million. The increase of other income and gains was mainly attributed from the interest income from a loan to a related company of HK\$7.5 million. However, it was partly set-off by the decrease in interest income earned by the Group from cash deposits with licensed banks from previous period of HK\$9.5 million to current reporting period of HK\$6.6 million due to decrease in interest rate. The Group will continue to closely monitor the cashflow position and maximise the bank interest income earned therefrom.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses was HK\$125.3 million in the reporting period, represented an increase of HK\$5.5 million or 4.6% as compared with the previous corresponding of HK\$119.8 million. The increase of administrative expenses was mainly attributed to the increase in staff cost of HK\$4.4 million in the reporting period in recruiting and retaining competitive personnel as well as awarding for their contribution to the Group. In addition, the repair and maintenance costs had increased by HK\$1.5 million in the period under review in upkeeping the conditions of the Group's fleet of machineries and accessories. Nonetheless, the Group will persistently to adopt those stringent control policies in monitoring the administrative expenses.

NET PROFIT

The Group's net profit in the reporting period was HK\$62.1 million, represented an increase of 12.5% or HK\$6.9 million as compared with the previous corresponding period of HK\$55.2 million. The increase of net profit was mainly attributed to the increased gross profit of HK\$15.1 million being generated from construction projects and the increase of other income and gains of HK\$5.0 million in the current period. However, the contribution was partly set-off by the increase of administrative expenses of HK\$5.5 million and the increase of impairment on trade receivables of HK\$4.5 million in the period under review.

FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group had unpledged bank and time deposit balances of HK\$634.4 million when comparing with HK\$562.5 million as at 31 December 2024. The increase of bank and time deposit balances was primarily due to the net cash inflow from certain sizeable foundation as well as site investigation contracts after the capital payment of HK\$46.4 million for the acquisition of plant and machineries. The Group had maintained a sound financial position and remained debt free during the period under review.

FUNDING AND TREASURY POLICY

The Group maintains a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with licensed banks. To manage liquidity risk, the management 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 from time to time.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group provided corporate guarantees and counter indemnities to certain banks and an insurance company for an aggregate amount of HK\$261.1 million (31 December 2024: HK\$268.5 million) for the issue of performance bonds in its ordinary course of business.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group employed 723 staff in Hong Kong. The Group is proud of the professional foundation and drilling contracting team formed by these colleagues. Remuneration packages are reviewed annually and determined by reference to market pay and individual performance. In addition to salary payments and discretionary bonuses, the Group also provides other employment benefits including medical insurance cover, provident fund and educational subsidies to eligible staff.

CONNECTED TRANSACTIONS

(a) Connected Transaction under the Loan Agreement

On 25 July 2024, the Company entered into a loan agreement (the "Loan Agreement") with Chinney Investments, Limited ("Chinney Investments") where the Company (as a lender), agreed to provide a loan in the principal amount of up to HK\$250,000,000 to Chinney Investments (as a borrower), at the interest rate of 6% per annum for 12 months from the date of drawdown, with an option for extension of further 12 months subject to the approval of the Company. Dr. James Sai-Wing Wong (passed away on 16 February 2025), a controlling shareholder of the Company, has a beneficial interest in Chinney Investments. The entering into of the Loan Agreement and the transactions contemplated thereunder constituted a connected transaction of each of the Company and Chinney Alliance Group Limited ("CAGL") under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The transaction was approved by the independent shareholders of each of the Company and CAGL on their respective special general meetings on 25 September 2024. On 7 October 2024, the Company advanced HK\$250 million to Chinney Investments upon receipt its drawdown notice. On 5 September 2025, Chinney Investments served a written request to the Company for the extension of the term of the loan for further 12 months. The request for extension was approved by the Company.

For details of the Loan Agreement and the transaction contemplated thereunder, please refer to the joint announcement of the Company and CAGL dated 25 July 2024 and the Company's circular dated 4 September 2024.

During the period ended 30 June 2025, interest income receivable/received by the Group under the Loan Agreement amounted to approximately HK\$7.5 million.

(b) Continuing Connected Transactions under the Framework Agreement

Pursuant to a framework agreement dated 25 July 2024 and a supplement agreement dated 29 August 2024 (collectively, the "Framework Agreement") entered between the Company and CAGL, member(s) of CAGL and its subsidiaries (excluding the Group) (collectively the "Remaining Group") may engage member(s) of the Group to provide certain services in the ordinary and usual course of businesses of the Group (the "Services") by means of tendering procedures, and member(s) of the Group may provide the Services to member(s) of the Remaining Group upon successful tender award, for a term of three years from 1 January 2025 and ending on 31 December 2027 (both dates inclusive), subject to the annual caps of HK\$135 million for each of the three years ending 31 December 2025, 2026 and 2027 (the "Annual Caps") as set out in the Framework Agreement. CAGL is beneficially interested in 74.5% of the entire issued share capital of the Company and is therefore, a controlling shareholder and a connected person of the Company. The entering into of the Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The transaction was approved by the independent shareholders of the Company at a general meeting held on 25 September 2024.

For details of the Framework Agreement and the transactions contemplated thereunder, please refer to the Company's announcement dated 25 July 2024 and circular dated 4 September 2024.

During the period ended 30 June 2025, amounts receivable/received by the Group under the Framework Agreement amounted to approximately HK\$1.5 million.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
	Notes		
REVENUE	4	1,205,100	1,102,053
Cost of construction		(1,015,559)	(927,571)
Gross profit		189,541	174,482
Other income and gains	4	15,705	10,695
Administrative expenses		(125,269)	(119,809)
Impairment of trade receivables		(4,468)	–
Finance costs	6	(5)	(56)
PROFIT BEFORE TAX	5	75,504	65,312
Income tax expense	7	(13,420)	(10,115)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		62,084	55,197
Profit and total comprehensive income attributable to: Equity holders of the Company		62,084	55,197
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic and diluted		HK4.14 cents	HK3.68 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	306,045	300,052
Right-of-use assets		186,225	190,958
Investment in an associate		121	121
Deposits		6,077	10,930
Total non-current assets		498,468	502,061
CURRENT ASSETS			
Trade receivables	11	270,071	203,081
Contract assets		407,904	439,576
Prepayments, deposits and other receivables		38,340	35,568
Due from a fellow subsidiary		137	129
Loan to a related company	12	250,000	250,000
Tax recoverable		3,524	11,604
Time deposit		30,000	–
Cash and cash equivalents		604,422	562,530
Total current assets		1,604,398	1,502,488
CURRENT LIABILITIES			
Trade and retention monies payables	13	191,112	265,633
Other payables and accruals		1,056,530	888,225
Tax payable		9,443	5,628
Total current liabilities		1,257,085	1,159,486
NET CURRENT ASSETS		347,313	343,002
TOTAL ASSETS LESS CURRENT LIABILITIES		845,781	845,063
NON-CURRENT LIABILITIES			
Deferred tax liabilities		40,539	41,906
Total non-current liabilities		40,539	41,906
Net assets		805,242	803,157
EQUITY			
Equity attributable to holders of the Company			
Issued capital	14	150,000	150,000
Reserves		655,242	653,157
Total equity		805,242	803,157

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital (Unaudited) HK\$'000	Share premium* (Unaudited) HK\$'000	Capital reserve* (Unaudited) HK\$'000	Merger reserve* (Unaudited) HK\$'000	Asset revaluation reserve* (Unaudited) HK\$'000	Retained profits* (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
At 1 January 2025	150,000	63,628	(1)	20,002	37,295	532,233	803,157
Profit and total comprehensive income for the period	–	–	–	–	–	62,084	62,084
Release of revaluation reserve on leasehold land to retained profits	–	–	–	–	(667)	667	–
Final 2024 and special dividend declared	–	–	–	–	–	(60,000)	(60,000)
At 30 June 2025	150,000	63,628	(1)	20,002	36,628	534,985	805,242
At 1 January 2024	150,000	63,628	(1)	20,002	32,585	463,992	730,206
Profit and total comprehensive income for the period	–	–	–	–	–	55,197	55,197
Release of revaluation reserve on leasehold land to retained profits	–	–	–	–	(561)	561	–
Final 2023 and special dividend declared	–	–	–	–	–	(60,000)	(60,000)
At 30 June 2024	150,000	63,628	(1)	20,002	32,024	459,750	725,403

The merger reserve of the Group represents the capital contribution from the equity holders of a subsidiary now comprising the Group before the completion of the Reorganisation.

* These reserve accounts comprise the consolidated reserves of HK\$655,242,000 as at 30 June 2025 in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		75,504	65,312
Adjustments for:			
Bank interest income	4	(6,550)	(9,467)
Interest income from a loan to related company	4	(7,500)	–
Finance costs		5	56
Depreciation of property, plant and equipment	5	32,198	32,963
Depreciation of right-of-use assets	5	4,734	4,956
Transfer of items of property, plant and equipment to cost of construction		8,161	2,104
Impairment of trade receivables		4,468	–
		111,020	95,924
(Increase)/decrease in trade receivables		(72,138)	64,019
Decrease/(increase) in contract assets		31,672	(52,420)
Increase in prepayments, deposits and other receivables		(2,771)	(11,408)
(Increase)/decrease in amount due from a fellow subsidiary		(8)	1,593
Decrease in trade and retention monies payables		(74,520)	(32,715)
Increase in other payables and accruals		109,058	134,973
		102,313	199,966
Cash generated from operations		–	44
Hong Kong profits tax refunded			
		102,313	200,010
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		10,639	9,467
Purchase of items of property, plant and equipment		(46,353)	(39,143)
Proceeds from disposal of items of property, plant and equipment		518	–
Decrease in deposits paid for acquisition of property, plant and equipment		4,853	–
Increase in time deposit with maturity of more than three months when acquired		(30,000)	–
		(60,343)	(29,676)
Net cash flows used in investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid on lease liabilities		(5)	(56)
Principal portion of lease payments		(73)	(370)
		(78)	(426)
Net cash flows used in financing activities			

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	41,892	169,908
Cash and cash equivalents at beginning of period	562,530	566,535
CASH AND CASH EQUIVALENTS AT END OF PERIOD	604,422	736,443
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	305,337	135,433
Non-pledged time deposits with original maturity of less than three months when acquired	299,085	601,010
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	604,422	736,443

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in Bermuda with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, and the Company's head office and principal place of business is located at Room 2308, 23/F, Wing On Centre, 111 Connaught Road Central, Hong Kong.

The Company is an investment holding company. During the period under review, the Company's subsidiaries were principally involved in foundation construction, and drilling and site investigation works for both public and private sectors in Hong Kong.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024.

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention, except for leasehold land which has been measured at fair value. The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024, except for the adoption of the following revised HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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The adoption of the revised HKFRS Accounting Standard does not have material impact of the performance and financial position of the Group.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has two reportable operating segments as follows:

- Foundation construction and ancillary services; and
- Drilling and site investigation.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted operating profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs as well as unallocated corporate gains and expenses are excluded from such measurement.

Segment assets exclude other unallocated head office and corporate assets as these assets are managed on a group basis.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. OPERATING SEGMENT INFORMATION *(continued)*

Segment liabilities exclude other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Six months ended 30 June 2025

	Foundation construction and ancillary services (Unaudited) HK\$'000	Drilling and site investigation (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue:			
Sales to external customers	1,036,652	168,448	1,205,100
Intersegment sales	–	11,482	11,482
Other revenue	7,896	309	8,205
	1,044,548	180,239	1,224,787
<i>Reconciliation:</i>			
Elimination of intersegment sales			(11,482)
Other revenue			(8,205)
Revenue			1,205,100
Segment results	55,276	17,589	72,865
<i>Reconciliation:</i>			
Corporate and other unallocated expenses			(11,406)
Interest income			14,050
Finance costs			(5)
Profit before tax			75,504

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. OPERATING SEGMENT INFORMATION *(continued)*

As at 30 June 2025

	Foundation construction and ancillary services (Unaudited) HK\$'000	Drilling and site investigation (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment assets	1,441,004	362,513	1,803,517
<i>Reconciliation:</i>			
Corporate and other unallocated assets			<u>299,349</u>
Total assets			<u>2,102,866</u>
Segment liabilities	725,648	505,450	1,231,098
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			<u>66,526</u>
Total liabilities			<u>1,297,624</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. OPERATING SEGMENT INFORMATION *(continued)*

Six months ended 30 June 2024

	Foundation construction and ancillary services (Unaudited) HK\$'000	Drilling and site investigation (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue:			
Sales to external customers	805,846	296,207	1,102,053
Intersegment sales	–	99,000	99,000
Other revenue	8,526	2,169	10,695
	<hr/>	<hr/>	<hr/>
	814,372	397,376	1,211,748
<i>Reconciliation:</i>			
Elimination of intersegment sales			(99,000)
Other revenue			<hr/> (10,695)
Revenue			<hr/> 1,102,053
Segment results	42,027	24,903	66,930
<i>Reconciliation:</i>			
Corporate and other unallocated expenses			(11,029)
Interest income			9,467
Finance costs			<hr/> (56)
Profit before tax			<hr/> 65,312

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. OPERATING SEGMENT INFORMATION *(continued)*

As at 31 December 2024

	Foundation construction and ancillary services (Audited) HK\$'000	Drilling and site investigation (Audited) HK\$'000	Total (Audited) HK\$'000
Segment assets	1,389,770	358,994	1,748,764
<i>Reconciliation:</i>			
Corporate and other unallocated assets			255,785
Total assets			2,004,549
Segment liabilities	878,546	312,495	1,191,041
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			10,351
Total liabilities			1,201,392

4. REVENUE, OTHER INCOME AND GAINS

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

Revenue from contracts with customers

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
<i>Revenue from contracts with customers</i>		
Construction services	1,205,100	1,102,053

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. REVENUE, OTHER INCOME AND GAINS *(continued)*

Revenue from contracts with customers *(continued)*

Disaggregate revenue information

Six months ended 30 June 2025

Segments

	Foundation construction and ancillary services (Unaudited) HK\$'000	Drilling and site investigation (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Type of services			
Construction services	1,036,652	168,448	1,205,100
Geographical market			
Hong Kong	1,036,652	168,448	1,205,100
Timing of revenue recognition			
Services transferred over time	1,036,652	168,448	1,205,100
Revenue from contracts with customers			
External customers	1,036,652	168,448	1,205,100
Intersegment sales	–	11,482	11,482
Other revenue	7,896	309	8,205
Segment revenue	1,044,548	180,239	1,224,787
Elimination of intersegment sales	–	(11,482)	(11,482)
Other revenue	(7,896)	(309)	(8,205)
Revenue from contracts with customers	1,036,652	168,448	1,205,100

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. REVENUE, OTHER INCOME AND GAINS *(continued)*

Revenue from contracts with customers *(continued)*

Disaggregate revenue information *(continued)*

Six months ended 30 June 2024

Segments

	Foundation construction and ancillary services (Unaudited) HK\$'000	Drilling and site investigation (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Type of services			
Construction services	805,846	296,207	1,102,053
Geographical market			
Hong Kong	805,846	296,207	1,102,053
Timing of revenue recognition			
Services transferred over time	805,846	296,207	1,102,053
Revenue from contracts with customers			
External customers	805,846	296,207	1,102,053
Intersegment sales	–	99,000	99,000
Other revenue	8,526	2,169	10,695
Segment revenue	814,372	397,376	1,211,748
Elimination of intersegment sales	–	(99,000)	(99,000)
Other revenue	(8,526)	(2,169)	(10,695)
Revenue from contracts with customers	805,846	296,207	1,102,053

Other income and gains

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Bank interest income	6,550	9,467
Interest income from a loan to a related company	7,500	–
Exchange gain	497	–
Others	1,158	1,228
	15,705	10,695

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	32,198	32,963
Depreciation of right-of-use assets	4,734	4,956
Employee benefit expense (including directors' remuneration)	332,708	266,509
Lease payments not included in the measurement of lease liabilities	1,875	3,011
Foreign exchange differences, net	(497)	386
Impairment of trade receivables	4,468	–

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on lease liabilities	5	56

7. INCOME TAX

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current – Hong Kong		
Charge for the period	14,787	11,670
Deferred	(1,367)	(1,555)
Total tax charge for the period	13,420	10,115

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company of HK\$62,084,000 (2024: HK\$55,197,000) and the number of ordinary shares of 1,500,000,000 (2024: 1,500,000,000) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2025 and 2024.

9. DIVIDEND

The Board does not propose the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

The final dividend of HK2.0 cents per ordinary share and a special dividend of HK2.0 cents per ordinary share for the year ended 31 December 2024 were approved by the Company's shareholders at the annual general meeting of the Company held on 6 June 2025 and paid on 9 July 2025.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment with a cost of HK\$46,353,000 (2024: HK\$39,143,000).

11. TRADE RECEIVABLES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Trade receivables	287,310	215,852
Less: Impairment	(17,239)	(12,771)
	270,071	203,081

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing. At 30 June 2025, the Group had certain concentration risk that may arise from the exposure to the largest customer and five largest customers, which accounted for 23% and 60% (31 December 2024: 15% and 33%) of the Group's total trade receivable balances, respectively.

11. TRADE RECEIVABLES *(continued)*

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

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Current to 30 days	137,792	153,501
31 to 60 days	65,604	12,669
61 to 90 days	54,904	9,597
Over 90 days	11,771	27,314
	270,071	203,081

The movements in the loss allowance for impairment of trade receivables are as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
At the beginning of the period/year	12,771	9,458
Impairment loss for the period/year	4,468	3,313
	17,239	12,771

12. LOAN TO A RELATED COMPANY

The loan to a related company represented advance to Chinney Investments, Limited ("Chinney Investments") by the Company pursuant to a loan agreement dated 25 July 2024. Dr. James Sai-Wing Wong (passed away on 16 February 2025), a controlling shareholder of the Company, has a beneficial interest in Chinney Investments. The loan is unsecured, interest-bearing at 6% per annum and repayable within 12 months from the date of drawdown with an option for extension for further 12 months subject to the approval of the Company. Details of the transaction are set out in the section headed "CONNECTED TRANSACTIONS" of the Interim Report.

On 5 September 2025, Chinney Investments served a written request to the Company for the extension of the term of the loan for further 12 months. The request for extension was approved by the Company.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

13. TRADE AND RETENTION MONIES PAYABLES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Trade payables	131,136	210,307
Retention monies payable	59,976	55,326
	191,112	265,633

The ageing analysis of the trade and retention monies payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Trade payables		
Current to 30 days	114,059	175,988
31 to 60 days	14,773	24,189
61 to 90 days	2,112	5,211
Over 90 days	192	4,919
	131,136	210,307
Retention monies payable	59,976	55,326
	191,112	265,633

The trade and retention monies payables are non-interest bearing. Trade payables are normally settled on 30-day terms. Retention monies payable has repayment terms ranging from one to two years.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

14. SHARE CAPITAL

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Authorised:		
3,000,000,000 (31 December 2024: 3,000,000,000) ordinary shares of HK\$0.10 each	300,000	300,000
Issued and fully paid:		
1,500,000,000 (31 December 2024: 1,500,000,000) ordinary shares of HK\$0.10 each	150,000	150,000

15. CONTINGENT LIABILITIES

As at 30 June 2025, the Group provided corporate guarantees and counter indemnities to certain banks and an insurance company for their issue of performance bonds of an aggregate amount of HK\$261,124,000 (31 December 2024: HK\$268,510,000) to the Group's customers in its ordinary course of business.

16. RELATED PARTY TRANSACTIONS

- (a) Other than those disclosed elsewhere in the condensed consolidated interim financial statements, the Group had the following material transactions with related parties during the period:

		Six months ended 30 June 2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
	Notes		
Rent paid to fellow subsidiaries	(i)	1,128	1,128
License fee paid to a related company	(i)	106	108
Purchases from fellow subsidiaries	(ii)	310	101
Contracting income from a fellow subsidiary	(ii)	1,459	–
Interest income from a related company	(iii)	7,500	–

Notes:

- (i) Rent paid to fellow subsidiaries as well as license fee paid to a related company are based on the market prices.
- (ii) In the opinion of the directors, the above transactions were made according to the prices and conditions similar to those offered to other major customers and suppliers.
- (iii) Interest income is charged at 6% per annum on the outstanding loan amount. As at 30 June 2025, interest income receivable of HK\$3,555,000 (31 December 2024: HK\$3,534,000) not yet due for collection is included in other receivables.

16. RELATED PARTY TRANSACTIONS *(continued)*

(b) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Short-term employee benefits	42,066	42,498
Post-employment benefits	289	539
Total compensation paid to key management personnel	42,355	43,037

17. CAPITAL COMMITMENTS

As at 30 June 2025, the Group had contracted, but not provided for acquisition of plant and machineries in the amount of approximately HK\$14,228,000 (31 December 2024: HK\$26,118,000).

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The management has assessed that fair values of the following instruments approximate their carrying values because of the short term nature of their maturity dates, these instruments include cash and cash equivalents, time deposits, trade receivables, financial assets included in prepayments, deposits and other receivables, loan to a related company, trade and retention monies payables, lease liabilities, financial liabilities included in other payables and accruals and an amount due from a fellow subsidiary.

Fair value hierarchy

At 30 June 2025 and 31 December 2024, the Group did not have any financial assets and liabilities measured at fair value.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

CORPORATE GOVERNANCE

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules. On specific enquiries made, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2025.

Compliance with the Corporate Governance Code

In the opinion of the Directors, the Company has complied with all relevant code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules during the six months ended 30 June 2025.

Audit Committee

The audit committee of the Company (the "Audit Committee") comprises all the four independent non-executive Directors, namely Mr. Siu-Chee Kong (Chairman of the Audit Committee), Mr. Ivan Ti-Fan Pong, Mr. Robert Che-Kwong Tsui and Ms. Kit-Sum Ling. Regular meetings have been held by the Audit Committee since its establishment and it meets at least twice each year to review and oversee the Group's financial reporting process and internal control. The Company's interim results for the six months ended 30 June 2025 have not been audited, but have been reviewed by the Audit Committee.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code in the Listing Rules, were as follows:

Long positions in ordinary shares of the Company:

Name of Director	Number of shares held, capacity and nature of interest				Percentage of the Company's issued share capital
	Personal interests	Family interests	Corporate interests	Total	
Wing-Sang Yu	5,000,000	—	—	5,000,000	0.33%

Save as disclosed above, as at 30 June 2025, none of the Directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2025 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, the interests and short positions of those persons in the shares and underlying shares of the Company as recorded in the register of interests required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in ordinary shares of the Company:

Name	Notes	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
James Sai-Wing Wong (passed away on 16 February 2025)	1	Interest through controlled corporations	1,117,500,000	74.50%
Chinney Alliance Group Limited		Beneficial owner	1,117,500,000	74.50%
Enhancement Investments Limited	1, 2	Interest through a controlled corporation	1,117,500,000	74.50%

Notes:

1. Dr. James Sai-Wing Wong and Enhancement Investments Limited are deemed to be interested in the same parcel of 1,117,500,000 shares by virtue of Section 316 of the SFO; and
2. Enhancement Investments Limited is beneficially wholly-owned by Dr. James Sai-Wing Wong.

Save as disclosed above, as at 30 June 2025, no person had registered an interest or short positions in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

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

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the six months ended 30 June 2025.