



Shing Chi Holdings Limited
成志控股有限公司

(Incorporated in the Cayman Islands with limited liability)

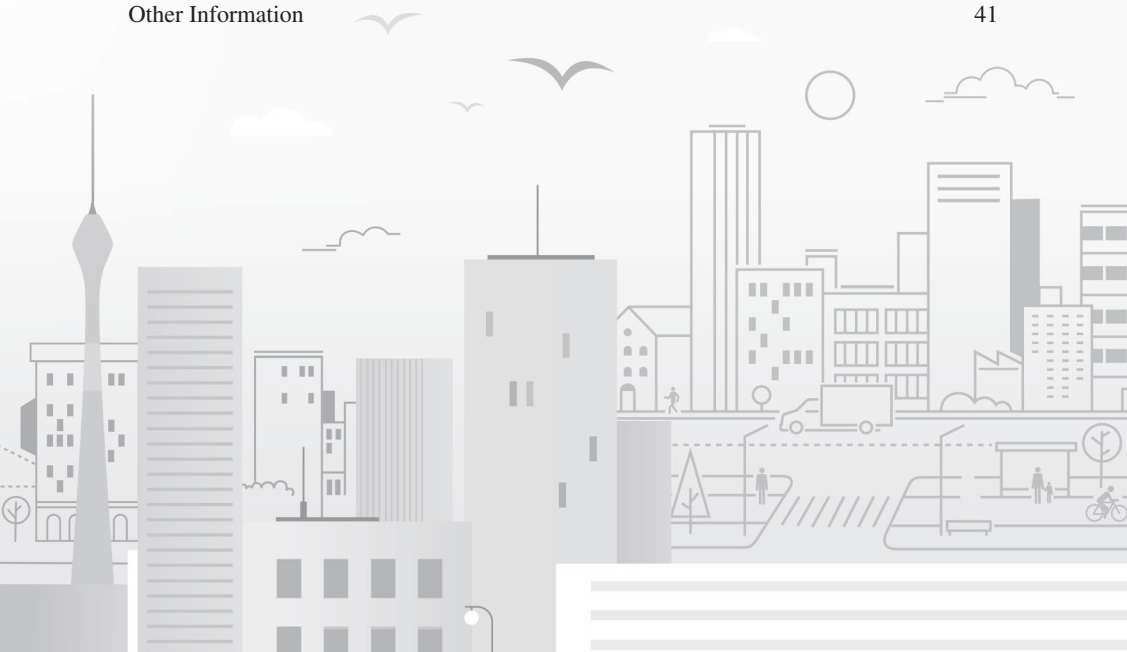
Stock Code: 1741

INTERIM REPORT
2025



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Lau Chi Wang (*Chairman*)

Mr. Lau Chi Ming

Dr. Lau Chi Keung (*Chief Executive Officer*)

Ms. Lau Yan Ki Patricia

Independent Non-executive Directors

Mr. Leung Bing Kwong Edward

Mr. Pang Ka Hang

Mr. Wong Chun Nam

BOARD COMMITTEES

Audit Committee

Mr. Pang Ka Hang (*Chairman*)

Mr. Leung Bing Kwong Edward

Mr. Wong Chun Nam

Remuneration Committee

Mr. Wong Chun Nam (*Chairman*)

Mr. Lau Chi Ming

Mr. Leung Bing Kwong Edward

Mr. Pang Ka Hang

Nomination Committee

Mr. Leung Bing Kwong Edward (*Chairman*)

Dr. Lau Chi Keung

Mr. Pang Ka Hang

Mr. Wong Chun Nam

Ms. Lau Yan Ki Patricia

(*appointed on 19 March 2025*)

Investment Committee

Mr. Lau Chi Ming (*Chairman*)

Dr. Lau Chi Wang

Dr. Lau Chi Keung

Mr. Leung Bing Kwong Edward

Mr. Pang Ka Hang

Mr. Wong Chun Nam

COMPANY SECRETARY

Ms. Yim Sau Ping

AUTHORISED REPRESENTATIVES

Mr. Lau Chi Ming

Ms. Yim Sau Ping

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

COMPLIANCE ADVISER

Frontpage Capital Limited

26/F, Siu On Centre

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Wan Chai, Hong Kong

LEGAL ADVISER AS TO HONG KONG LAWS

CFN Lawyers

Units 4101-04, 41/F

Sun Hung Kai Centre

30 Harbour Road

Wan Chai, Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

6/F, Kai Tak Commercial Building

Nos. 317-319 Des Voeux Road Central

Sheung Wan

Hong Kong

Corporate Information

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKS

Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited

COMPANY'S WEBSITE

www.shing-chi-holdings.com

STOCK CODE

1741

Interim Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 March 2025

		Six months ended 31 March	
		2025	2024
		HK\$'000	HK\$'000
		(Unaudited)	(Restated and unaudited)
		<i>Note</i>	
Continuing operations			
Revenue	4	85,538	75,075
Cost of sales		(81,843)	(69,532)
Gross profit		3,695	5,543
Other income, gains and losses	4	1,154	141
Administrative and other operating expenses		(12,579)	(14,142)
Net reversal of impairment losses on financial assets and contract assets		836	190
Operating loss		(6,894)	(8,268)
Finance costs	5	(70)	(108)
Loss before tax	6	(6,964)	(8,376)
Income tax expense	7	–	–
Loss for the period from continuing operations		(6,964)	(8,376)
Discontinued operation			
Loss for the period from discontinued operation	8	–	(8,298)
Loss for the period		(6,964)	(16,674)
Other comprehensive expense			
<i>Item that maybe reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		–	(144)
Total comprehensive expense for the period		(6,964)	(16,818)

Interim Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 March 2025

		Six months ended 31 March	
		2025	2024
Note		HK\$'000	HK\$'000
		(Unaudited)	(Restated and unaudited)
Loss for the period attributable to:			
Owners of the Company			
	– from continuing operations	(6,964)	(8,376)
	– from discontinued operation	–	(8,509)
		<u>(6,964)</u>	<u>(16,885)</u>
Non-controlling interests			
	– from discontinued operation	–	211
		<u>(6,964)</u>	<u>(16,674)</u>
Total comprehensive expense for the period attributable to:			
Owners of the Company			
	– from continuing operations	(6,964)	(8,376)
	– from discontinued operation	–	(8,628)
		<u>(6,964)</u>	<u>(17,004)</u>
Non-controlling interests			
	– from discontinued operation	–	186
		<u>(6,964)</u>	<u>(16,818)</u>
Basic and diluted loss per share from continuing and discontinued operations (HK cents)			
9		(0.87)	(2.11)
Basic and diluted loss per share from continuing operations (HK cents)			
9		<u>(0.87)</u>	<u>(1.05)</u>

Interim Unaudited Condensed Consolidated Statement of Financial Position

As at 31 March 2025

		31 March 2025	30 September 2024
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	11	–	–
Right-of-use assets	11	679	819
		679	819
Current assets			
Trade and other receivables	12	10,408	13,062
Contract assets		14,186	17,653
Bank deposits, balances and cash	13	28,760	32,558
		53,354	63,273
Total assets		54,033	64,092
EQUITY			
Capital and reserves			
Share capital	14	8,000	8,000
Share premium and reserves		19,738	26,702
Total equity		27,738	34,702



Interim Unaudited Condensed Consolidated Statement of Financial Position

As at 31 March 2025

		31 March 2025	30 September 2024
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
LIABILITIES			
Non-current liability			
Lease liabilities		<u>598</u>	<u>1,026</u>
Current liabilities			
Trade and other payables	16	24,698	26,446
Lease liabilities		<u>999</u>	<u>1,918</u>
		25,697	28,364
Total liabilities		<u>26,295</u>	<u>29,390</u>
Total equity and liabilities		<u>54,033</u>	<u>64,092</u>
Net current assets		<u>27,657</u>	<u>34,909</u>
Total assets less current liabilities		<u>28,336</u>	<u>35,728</u>

Interim Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 March 2025

	Attributable to owners of the Company								
	Share capital <i>HK\$'000</i> <i>(Note 14)</i>	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i> <i>(Note (a))</i>	Statutory reserve <i>HK\$'000</i> <i>(Note (b))</i>	Exchange reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Subtotal <i>HK\$'000</i>	Non-controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 October 2023 (audited)	8,000	100,538	10,850	95	892	(74,711)	45,664	(2,493)	43,171
(Loss) profit for the period	-	-	-	-	-	(16,885)	(16,885)	211	(16,674)
Other comprehensive expense for the period	-	-	-	-	(119)	-	(119)	(25)	(144)
Total comprehensive (expense) income for the period	-	-	-	-	(119)	(16,885)	(17,004)	186	(16,818)
At 31 March 2024 (unaudited)	8,000	100,538	10,850	95	773	(91,596)	28,660	(2,307)	26,353

Interim Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 March 2025

	Attributable to owners of the Company								
	Share capital <i>HK\$'000</i> <i>(Note 14)</i>	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i> <i>(Note (a))</i>	Statutory reserve <i>HK\$'000</i> <i>(Note (b))</i>	Exchange reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Subtotal <i>HK\$'000</i>	Non-controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 October 2024 (audited)	8,000	100,538	10,850	-	-	(84,686)	34,702	-	34,702
Loss and total comprehensive expense for the period	-	-	-	-	-	(6,964)	(6,964)	-	(6,964)
At 31 March 2025 (unaudited)	8,000	100,538	10,850	-	-	(91,650)	27,738	-	27,738

Notes:

- (a) The other reserve represents the difference between the nominal value of the shares issued by Shing Chi Holdings Limited (the “**Company**”) in exchange for the aggregate amount of the nominal value of the share capital of its subsidiaries held by the Company’s controlling shareholders: Dr. Lau Chi Wang, Mr. Lau Chi Ming, Dr. Lau Chi Keung and Elite Bright Developments Limited (the “**Controlling Shareholders**”), arising from the corporate reorganisation pursuant to which the Company become the holding company of the Group on 17 September 2018.
- (b) According to the People’s Republic of China (the “**PRC**”) Company Law, the PRC subsidiaries of the Group are required to transfer 10% of their respective after-tax profit, calculated in accordance with the PRC accounting standards and regulations, to the statutory reserve until the reserve balance reaches 50% of the registered capital. The statutory reserve can be utilised, upon approval of the relevant authorities, to offset accumulated losses or to increase registered capital of the companies, provided that the fund is maintained at a minimum level of 25% of the registered capital.

Interim Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 31 March 2025

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net cash (used in)/generated from operations	(2,452)	10,040
Tax paid	—	(37)
	<u> </u>	<u> </u>
Net cash (used in)/generated from operating activities	<u>(2,452)</u>	<u>10,003</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(9)	(813)
Proceeds from disposal of property, plant and equipment	—	10
Net cash inflow on acquisition of a subsidiary	—	81
Advances to an associate	—	(324)
Interest received	80	103
	<u> </u>	<u> </u>
Net cash generated from/(used in) investing activities	<u>71</u>	<u>(943)</u>
Cash flows from financing activities		
Repayment of lease liabilities	(1,347)	(3,095)
New bank borrowings raised	—	91,552
Repayment of bank borrowings	—	(108,525)
Interest paid on bank borrowings	—	(619)
Interest paid on lease liabilities	(70)	(273)
	<u> </u>	<u> </u>
Net cash used in financing activities	<u>(1,417)</u>	<u>(20,960)</u>
Net decrease in cash and cash equivalents	<u>(3,798)</u>	<u>(11,900)</u>
Cash and cash equivalents at the beginning of the period	32,558	41,450
Effect of foreign exchange rate changes	—	137
	<u> </u>	<u> </u>
Cash and cash equivalents at end of the period	<u>28,760</u>	<u>29,687</u>
Analysis of cash and cash equivalents		
Cash at banks	12,630	11,908
Fixed deposits	16,130	17,779
	<u> </u>	<u> </u>
	<u>28,760</u>	<u>29,687</u>

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

1 GENERAL INFORMATION AND BASIS OF PREPARATION

Shing Chi Holdings Limited (the “**Company**”) is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) is principally engaged in the provision of foundation and site formation works; general building works and associated services; other construction works; and construction related consultancy services. The Company was incorporated in the Cayman Islands on 3 January 2018 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands. The shares of the Company have been listed on the Main Board (the “**Listing**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 16 October 2018.

The address of the Company’s registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and the Company’s principal place of business in Hong Kong is 6/F, Kai Tak Commercial Building, Nos. 317-319 Des Voeux Road Central, Sheung Wan, Hong Kong.

Its parent and ultimate holding company is Elite Bright Developments Limited (“**Elite Bright**”), a company incorporated in the British Virgin Islands (“**BTI**”) and wholly-owned by Dr. Lau Chi Wang (“**Dr. CW Lau**”), Mr. Lau Chi Ming (“**Mr. CM Lau**”) and Dr. Lau Chi Keung (“**Dr. CK Lau**”) in equal shares, the Controlling Shareholders.

These interim unaudited condensed consolidated financial statements of the Group for the six months ended 31 March 2025 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 (“**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). These interim unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Group for the year ended 30 September 2024 (the “**2024 Annual Financial Statements**”), which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”).

The interim unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.

The interim unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2024 Annual Financial Statements, except for the accounting policy changes that are expected to be reflected in the annual financial statements of the Group for the year ending 30 September 2025. Details of any changes in accounting policies are set out in Note 2.

These interim unaudited condensed consolidated financial statements have been approved for issue by the board (the “**Board**”) of directors of the Company (the “**Directors**”) on 29 May 2025.



Notes to the Interim Unaudited Condensed Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The Group has adopted the following new and amendments to HKFRSs issued by the HKICPA for the first time for the current accounting period, which are mandatory effective for the annual period beginning on or after 1 October 2024 for the preparation of the Group's interim unaudited condensed consolidated financial statements:

(a) New and amendments to HKFRSs that are mandatorily effective for the current period

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time for the current period:

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 new and amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior period/year and/or on the disclosures set out in these interim unaudited condensed consolidated financial statements.



Notes to the Interim Unaudited Condensed Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 BASIS OF PREPARATION (continued)

(b) New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs 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 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

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

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

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

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

The Group will apply the above HKFRSs when they become effective. The Group is in the process of assessing the impact of the above HKFRSs.

The Directors anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements of the Group in the future.

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

3 ESTIMATES

The preparation of these interim unaudited condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim unaudited condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 September 2024.

4 REVENUE, OTHER INCOME, GAINS AND LOSSES AND SEGMENT INFORMATION

Revenue and other income, gains and losses recognised during the respective periods are as follows:

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Restated and unaudited)
Revenue		
Foundation and site formation works	21,352	24,349
General building works and associated services	23,918	13,247
Other construction works	36,581	32,508
Construction related consultancy services	3,687	4,971
	<u>85,538</u>	<u>75,075</u>

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Restated and unaudited)
Timing of revenue recognition		
Over time	<u>85,538</u>	<u>75,075</u>
	<u>85,538</u>	<u>75,075</u>

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

4 REVENUE, OTHER INCOME, GAINS AND LOSSES AND SEGMENT INFORMATION (continued)

	Six months ended 31 March	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Restated and unaudited)
Other income, gains and losses		
Bank interest income	80	103
Gain on disposal of property, plant and equipment	–	10
Others	1,074	28
	<u>1,154</u>	<u>141</u>

Segment information

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

Specifically, the Group’s reportable and operating segments are as follows:

Continuing operations

- Foundation and site formation works;
- General building works and associated services;
- Other construction works; and
- Construction related consultancy services.

Discontinued operation

- Health management and consultancy business (including sales of health products, licencing and health management software development).

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

4 REVENUE, OTHER INCOME, GAINS AND LOSSES AND SEGMENT INFORMATION (continued)

The CODM makes decisions according to the 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.

Segment revenue and results

	Continuing operations				Discontinued operation	
	Foundation and site formation works	General building works and associated services	Other construction works	Construction related consultancy services	Health management and consultancy business	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Six months ended 31 March 2025						
Segment revenue	21,352	23,918	36,581	3,687	–	85,538
Segment results	960	(40)	1,823	952	–	3,695
Other income, gains and losses						1,154
Administrative and other operating expenses						(12,579)
Net reversal of impairment losses on financial assets and contract assets						836
Finance costs						(70)
Loss before tax						(6,964)

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

4 REVENUE, OTHER INCOME, GAINS AND LOSSES AND SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

	Continuing operations				Discontinued operation	
	Foundation and site formation works	General building works and associated services	Other construction works	Construction related consultancy services	Health management and consultancy business	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Six months ended 31 March 2024						
Segment revenue	24,349	13,247	32,508	4,971	17,034	92,109
Segment results	407	3,286	1,685	165	12,097	17,640
Other income, gains and losses						2,137
Administrative and other operating expenses						(35,577)
Net reversal of impairment losses on financial assets and contract assets						190
Share of losses of associates						(135)
Finance costs						(892)
Loss before tax						(16,637)

Segment results mainly represented gross profit or loss incurred by each segment, excluding other income, gains and losses, administrative and other operating expenses, net reversal of impairment losses on financial assets and contract assets, share of losses of associates, finance costs and income tax expenses.

Geographical information

Information about the Group's revenue from external customers is presented based on the location of operation is as follows:

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Restated and unaudited)
Continuing operations		
Hong Kong	85,538	75,075
Discontinued operation		
The PRC	—	17,034
	<u>85,538</u>	<u>92,109</u>

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

4 REVENUE, OTHER INCOME, GAINS AND LOSSES AND SEGMENT INFORMATION (continued)

Geographical information (continued)

Information about the Group's non-current assets is presented based on the geographical location of the assets:

	As at 31 March 2025 HK\$'000 (Unaudited)	As at 30 September 2024 HK\$'000 (Restated and audited)
Continuing operations		
Hong Kong	679	819
Discontinued operation		
The PRC	—	—
	<u>679</u>	<u>819</u>

5 FINANCE COSTS

	Six months ended 31 March 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Restated and unaudited)
Interest on lease liabilities	<u>70</u>	<u>108</u>

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

6 LOSS BEFORE TAX

	Six months ended 31 March	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Restated and unaudited)
Loss before tax has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	–	627
Depreciation of right-of-use assets	140	1,260
Short-term lease expenses	9	–
Auditors' remuneration	500	550
Employee benefit expenses, including Directors' emoluments	10,134	11,128
Net reversal of impairment losses on financial assets and contract assets	(836)	(190)
Impairment losses on property, plant and equipment	<u>9</u>	<u>–</u>

7 INCOME TAX EXPENSE

	Six months ended 31 March	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Restated and unaudited)
Hong Kong profits tax		
– Current income tax	–	–
Deferred income tax (Note 15)	<u>–</u>	<u>–</u>
Income tax expense	<u>–</u>	<u>–</u>

No provision for Hong Kong profits tax has been made as the Group did not have assessable profit in Hong Kong for both periods.

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

8 DISCONTINUED OPERATION

Ri Ying Group Co., Limited and its subsidiaries (“**Ri Ying Group**”) carried out health management and consultancy business and comprised the health management and consultancy business reportable segment of the Group. The Group disposed its equity interests in Ri Ying Group during the year ended 30 September 2024.

The loss for the six months ended 31 March 2024 from the discontinued operation is set out below. The comparative figures in the condensed consolidated statement of profit or loss have been restated to re-present the financial performance of the health management and consultancy business as discontinued operation.

The results of the health management and consultancy business for the six months ended 31 March 2024 were as follow:

	Six months ended 31 March 2024 HK\$'000 (Unaudited)
Revenue	17,034
Cost of sales	(4,937)
Other income and gains	1,996
Administrative and other operating expenses	(21,435)
Share of losses of associates	(135)
Finance costs	(784)
	<hr/>
Loss before tax	(8,261)
Income tax expense	(37)
	<hr/>
Loss for the period	<hr/> <hr/> (8,298)

Cash flows from discontinued operations:

	Six months ended 31 March 2024 HK\$'000 (Unaudited)
Net cash inflow from operating activities	20,351
Net cash outflow from investing activities	(1,052)
Net cash outflow from financing activities	<hr/> <hr/> (19,561)

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

9 LOSS PER SHARE

	Six months ended 31 March	
	2025	2024
	(Unaudited)	(Restated and unaudited)
From continuing operations		
Loss attributable to owners of the Company (HK\$'000)	(6,964)	(16,885)
Less: loss for the period from discontinued operations (HK\$'000)	—	8,509
	<u> </u>	<u> </u>
Loss for the purpose of basic loss per share from continuing operations (HK\$'000)	<u>(6,964)</u>	<u>(8,376)</u>
Weighted average number of ordinary shares for the purpose of calculating basic loss per share (in thousand)	<u>800,000</u>	<u>800,000</u>
From continuing and discontinued operations		
Basic loss per share (HK cents)	(0.87)	(2.11)
From continuing operations		
Basic loss per share (HK cents)	<u>(0.87)</u>	<u>(1.05)</u>

For the six months ended 31 March 2025 and 2024, the calculation of the basic loss per share attributable to owners of the Company was based on (i) the loss for the period attributable to owners of the Company; and (ii) the weighted average number of ordinary shares in issue during the period.

Diluted loss per share is equal to the basic loss per share as there was no dilutive potential shares in issue during the six months ended 31 March 2025 and 2024.

From discontinued operation

For the six months ended 31 March 2024, basic and diluted loss per share for the discontinued operation is HK\$1.06 cent per share, based on the loss for the period from the discontinued operation of approximately HK\$8,509,000 and the denominators detailed above for both basic and diluted loss per share.

10 DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 March 2025 (six months ended 31 March 2024: Nil).



Notes to the Interim Unaudited Condensed Consolidated Financial Statements

11 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 31 March 2025, the Group acquired certain items of property, plant and equipment with a cost of approximately HK\$9,000 (six months ended 31 March 2024: approximately HK\$813,000).

The Group obtains rights to control the use of certain premises and motor vehicles for a period of time through lease arrangements. During the six months ended 31 March 2025, there was no addition to right-of-use assets (six months ended 31 March 2024: approximately HK\$542,000).

12 TRADE AND OTHER RECEIVABLES

	31 March 2025 HK\$'000 (Unaudited)	30 September 2024 HK\$'000 (Audited)
Trade receivables	13,121	16,841
Less: provision for impairment losses	(4,229)	(5,114)
	<u>8,892</u>	<u>11,727</u>
Other receivables, deposits and prepayments	1,909	1,729
Less: provision for impairment losses	(393)	(394)
	<u>1,516</u>	<u>1,335</u>
	<u><u>10,408</u></u>	<u><u>13,062</u></u>

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

12 TRADE AND OTHER RECEIVABLES (continued)

Notes:

- (a) The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate.
- (b) The ageing analysis of the trade receivables (net of impairment losses) based on payment certificate date and invoice date is as follows:

	31 March 2025 HK\$'000 (Unaudited)	30 September 2024 HK\$'000 (Audited)
0-30 days	5,689	5,729
31-60 days	1,089	3,316
61-90 days	168	1,230
Over 90 days	1,946	1,452
	<u>8,892</u>	<u>11,727</u>

As at 31 March 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$7,403,000 (30 September 2024: approximately HK\$11,038,000) which are past due as at the reporting date. Out of the past due balances, HK\$1,603,000 (30 September 2024: approximately HK\$1,669,000) has been past due 90 days or more and is not considered as in default. The Group does not hold any collateral over these balances.

- (c) The other classes within trade and other receivables do not contain impaired assets. The Group does not hold any collateral as security.

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

13 BANK DEPOSITS, BALANCES AND CASH

	31 March 2025 <i>HK\$'000</i> <i>(Unaudited)</i>	30 September 2024 <i>HK\$'000</i> <i>(Audited)</i>
Cash at banks	<u>28,760</u>	<u>32,558</u>
Bank balances	12,630	11,297
Deposits at banks		
– fixed deposits	<u>16,130</u>	<u>21,261</u>
	<u>28,760</u>	<u>32,558</u>

14 SHARE CAPITAL

	Number of shares	Share capital <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
As at 1 October 2023, 30 September 2024 and 1 October 2024 and 31 March 2025	<u>2,000,000,000</u>	<u>20,000</u>
Issued and fully paid:		
As at 1 October 2023, 30 September 2024 and 1 October 2024 and 31 March 2025	<u>800,000,000</u>	<u>8,000</u>



Notes to the Interim Unaudited Condensed Consolidated Financial Statements

15 DEFERRED TAX ASSETS/LIABILITIES

The components of deferred tax assets and liabilities recognised in the interim unaudited condensed consolidated statement of financial position and the movements during the respective periods are as follows:

	Depreciation allowance <i>HK\$'000</i>	Tax losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 October 2023	(762)	762	–
Credited/(charged) to profit or loss	<u>718</u>	<u>(718)</u>	<u>–</u>
At 30 September 2024 and 1 October 2024	(44)	44	–
Credited/(charged) to profit or loss	<u>7</u>	<u>(7)</u>	<u>–</u>
At 31 March 2025	<u>(37)</u>	<u>37</u>	<u>–</u>

The following is the analysis of the deferred tax balances for financial reporting purpose:

	31 March 2025 <i>HK\$'000</i> <i>(Unaudited)</i>	30 September 2024 <i>HK\$'000</i> <i>(Audited)</i>
Deferred tax assets	37	44
Deferred tax liabilities	<u>(37)</u>	<u>(44)</u>
	<u>–</u>	<u>–</u>

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

16 TRADE AND OTHER PAYABLES

	31 March 2025 <i>HK\$'000</i> <i>(Unaudited)</i>	30 September 2024 <i>HK\$'000</i> <i>(Audited)</i>
Trade payables	6,983	12,595
Retention payables	13,336	11,244
Accruals and other payables	4,379	2,607
	<u>24,698</u>	<u>26,446</u>

Notes:

- (a) The ageing analysis of the trade payables based on invoice date is as follows:

	31 March 2025 <i>HK\$'000</i> <i>(Unaudited)</i>	30 September 2024 <i>HK\$'000</i> <i>(Audited)</i>
0 to 30 days	6,350	9,323
31 to 60 days	380	–
61 to 90 days	–	2,990
Over 90 days	253	282
	<u>6,983</u>	<u>12,595</u>

Except for retention payables of approximately HK\$4,754,000 as at 31 March 2025 (30 September 2024: approximately HK\$6,577,000), which are expected to be settled after one year, all of the remaining retention payables are expected to be settled within one year.

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

17 RELATED PARTY TRANSACTIONS

Key management compensation

Key management comprises Directors (executive and non-executive) and the chief executive of the Group. The compensation paid or payable to key management is disclosed as follows:

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Fee, discretionary bonuses, salaries and benefits in kind	3,878	3,784
Retirement benefit scheme contributions	5	8
	<u>3,883</u>	<u>3,792</u>

Management Discussion and Analysis

BUSINESS REVIEW

The Group is a construction contractor in Hong Kong that principally provides (i) foundation and site formation works, which mainly include piling works, excavation and lateral support (“ELS”) works, pile cap construction and ground investigation works; (ii) general building works and associated services, which mainly include development of superstructures, alteration and addition works; and (iii) other construction works, which mainly include slope works and demolition works. The Group is able to undertake construction works as either a main contractor or a subcontractor.

As at 31 March 2025, the Group had 21 construction projects on hand (including projects in progress and projects that are yet to commence) with a total contract value of approximately HK\$245.5 million. As at 30 September 2024, the Group had 25 construction projects on hand with a total contract value of approximately HK\$324.6 million. The details of the Group’s projects on hand as at 31 March 2025 are as follows:

Number	Project Awarded	Actual/expected commencement date	Actual/expected completion date
1	Slope works in Kwun Tung North New Development Areas	September 2020	September 2025
2	Site formation and infrastructure works in Tseung Kwan O	May 2022	December 2025
3	Supply and installation of flexible barrier in Yau Tong	May 2023	June 2025
4	Construction for the proposed playground in Hung Hom	March 2024	June 2025
5	Fence inspection for a university in Shatin	May 2024	December 2026
6	Underground sewerage improvement works for a university in Shatin	June 2024	June 2025
7	Sewerage improvement works in Lantau Island	August 2024	July 2025
8	Pre-bored socketed piles for noise barrier work in Fanling North Development Areas	October 2024	October 2025
9	Lining work to foul water drainage system for a university in Shatin	November 2024	December 2025
10	Landslip prevention and mitigation works in various locations in Hong Kong	November 2024	December 2025

Management Discussion and Analysis



Number	Project Awarded	Actual/expected commencement date	Actual/expected completion date
11	Slope improvement works for a university in Shatin	December 2024	November 2025
12	Supply and installation of flexible barrier in Sai Kung	December 2024	December 2025
13	Supply and installation of flexible barrier in various locations in Hong Kong	December 2024	December 2025
14	Ground investigation works for proposed residential re-development in Wan Chai	March 2025	May 2025
15	External works for a university in Shatin	April 2025	March 2026
16	Ground investigation works for proposed batching plant at Tsing Yi	April 2025	May 2025
17	Ground Investigation works in Homantin	May 2025	June 2025
18	Ground investigation works in Tsing Yi	May 2025	June 2025
19	Site Investigation works for a university in Tuen Mun	May 2025	June 2025
20	Rail track foundation works in the Central and Western District	June 2025	October 2025
21	Stability improvement works for slope for a university in Shatin	July 2025	February 2026



Management Discussion and Analysis

Apart from undertaking construction works in Hong Kong, the Group also operated a health management and consultancy business in the PRC (the “**Health Management Business**”) primarily involve the sales of health products, which include Ginseng and related products as well as the health intelligent robots during the six months ended 31 March 2024. On 13 September 2024, the Company and Mr. Wong Wa Kei Anthony (the “**RY Purchaser**”) entered into the sale and purchase agreement, pursuant to which the Company agreed to sell, and the RY Purchaser agreed to purchase, the entire issued share capital of Ri Ying Group Co., Limited at the consideration of HK\$50,000 (the “**RY Disposal**”). After the RY Disposal, the Group no longer engaged in the Health Management Business in the PRC.

OUTLOOK

The Directors are of the view that the general outlook of the construction industry and the business environment in which the Group operates will remain challenging. With the global trade conflicts, geopolitical tensions and high interest environment, the recovery of the global economy is hindered in the post-pandemic era. Besides, the Group is also facing multiple challenges, including intense market competition from competitors with competitive pricing strategies, stringent budgets from customers and rising material and labour costs, which are putting pressure on the operations of the Group. In light of the uncertain business environment, the Group will strive to adopt prudent financial management and cost control measures. Furthermore, the Group will continue to obtain additional licences and strengthen its financial resources to better position itself to tender suitable projects in the public sector as a main contractor, and strengthen its manpower and invest in its new information system to enhance its operational capacity and efficiency. Meanwhile, the Group will continue to explore suitable business and investment opportunities to drive its business growth.



Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately HK\$10.4 million, or approximately 13.8%, from approximately HK\$75.1 million for the six months ended 31 March 2024 to approximately HK\$85.5 million for the six months ended 31 March 2025. The following table sets out a breakdown of the Group's revenue during the six months ended 31 March 2024 and 2025 by segments:

	Six months ended 31 March			
	2025		2024	
	HK\$'000	%	HK\$'000	%
Foundation and site formation works	21,352	25.0	24,349	32.4
General building works and associated services	23,918	28.0	13,247	17.6
Other construction works	36,581	42.8	32,508	43.3
Construction related consultancy services	3,687	4.2	4,971	6.7
Total	<u>85,538</u>	<u>100.0</u>	<u>75,075</u>	<u>100.0</u>

The increase in the Group's revenue was primarily driven by the increase in revenue from general building works and associate services as well as other construction works. Such increase was primarily due to (i) the substantial revenue generated from a sizeable project for a children playground which commenced after the six months ended 31 March 2024; and (ii) the commencement of sizeable projects for other construction works during the six months ended 31 March 2025. The Group recorded a decrease in revenue contributed from foundation and site formation works as a result of the lower value projects undertaken during the six months ended 31 March 2025. The decrease in revenue from construction related consultancy services was mainly due to the decrease in number of projects undertaken during the six months ended 31 March 2025.

Cost of sales

Cost of sales increased by approximately HK\$12.3 million, or approximately 17.7%, from approximately HK\$69.5 million for the six months ended 31 March 2024 to approximately HK\$81.8 million for the six months ended 31 March 2025. Such increase was mainly driven by the increase in revenue.



Management Discussion and Analysis

Gross profit and gross profit margin

The gross profit decreased by approximately HK\$1.8 million, or 32.7%, from approximately HK\$5.5 million for the six months ended 31 March 2024 to approximately HK\$3.7 million for the six months ended 31 March 2025. The Group's gross profit margin was approximately 7.4% and 4.3% for the six months ended 31 March 2024 and 2025, respectively.

During the six months ended 31 March 2025, the Group's general building works and associated services recorded a turnaround from gross profit margin to gross loss margin (2024: gross profit margin of approximately 24.8%; 2025: gross loss margin of approximately 0.2%) as additional costs were incurred upon completion of projects. The gross profit margin of foundation and site formation works (2024: approximately 1.7%; 2025: approximately 4.5%) increased as a result of the relatively lower gross profit margin projects undertaken during the six months ended 31 March 2024. The construction related consultancy services (2024: approximately 3.3%; 2025: approximately 25.8%) also increased as a result of the reduction in fixed costs due to the decrease in headcount during the six months ended 31 March 2025. The gross profit margin for other construction works (2024: approximately 5.1%; 2025: approximately 5.0%) remained relatively stable for the six months ended 31 March 2024 and 2025.

Other income, gains and losses

The other income, gains and losses increased by approximately HK\$1.0 million from approximately HK\$141,000 for the six months ended 31 March 2024 to approximately HK\$1.2 million for the six months ended 31 March 2025, primarily due to the refund of costs incurred upon the termination of research and development project.

Administrative and other operating expenses

The administrative and other operating expenses decreased by approximately HK\$1.5 million, or 10.6%, from approximately HK\$14.1 million for the six months ended 31 March 2024 to approximately HK\$12.6 million for the six months ended 31 March 2025. Such decrease was mainly attributable to the decrease in the depreciation of property, plant and equipment as well as right-of-use assets after the recognition of impairment losses for respective assets.



Management Discussion and Analysis

Discontinued operation

During the six months ended 31 March 2024, the Group recorded a net loss of approximately HK\$8.3 million from discontinued operation for the Health Management Business. After the RY disposal, the Group no longer engages in the Health Management Business in the PRC and no financial contribution was generated from the Health Management Business during the six months ended 31 March 2025.

Loss and total comprehensive expense for the period

As a result of the foregoing, the Group recorded a loss of approximately HK\$16.7 million and approximately HK\$7.0 million for the six months ended 31 March 2024 and 2025, respectively.

COMPARISON OF BUSINESS STRATEGIES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business strategies as set out in the prospectus of the Company dated 28 September 2018 (the “**Prospectus**”) with actual business progress up to 31 March 2025.

Business strategies as stated in the Prospectus	Implementation activities up to 31 March 2025 as stated in the Prospectus	Progress up to 31 March 2025
Apply for additional licences	<ul style="list-style-type: none">– Acquire one set of bored piling machine; one set of rock-socket piling machine; two sets of mini-piling machines and four air compressors; and maintain newly acquired machinery to fulfill plant requirements of the licenses– Acquire a piece of land for machinery storage– Increase the employed capital of Po Shing Construction Limited and Fong On Construction Limited	<p>The Group has acquired the bored piling machines, rock-socket piling machine and two air compressors. On 25 August 2023, the Board resolved to change the use of the unutilised net proceeds in the amounts of approximately HK\$30.3 million as originally allocated for acquisition of certain additional machinery and a piece of land to increase the general working capital of the Group. For details, please refer to the announcement of the Company dated 25 August 2023 (the “UOP Announcement”).</p> <p>The Group has increased the employed capital of both subsidiaries.</p>

Management Discussion and Analysis

Business strategies as stated in the Prospectus	Implementation activities up to 31 March 2025 as stated in the Prospectus	Progress up to 31 March 2025
Fund the initial costs of the Group's construction projects	<ul style="list-style-type: none"> Finance the working capital requirement and upfront costs for three of the Group's projects 	The funding costs for (i) the redevelopment of an outdoor activities centre at Stanley; (ii) the redevelopment at Sheung Wan; and (iii) the alterations and additions works for commercial building at North Point were fully utilised.
Strengthening the Group's manpower	<ul style="list-style-type: none"> Recruit two project managers, two project engineers, two quantity surveyors, one safety officer, two site foremen and one mechanical fitter Retain talents as recruited for this business strategy 	<p>The Group has recruited two project managers, two project engineers, two quantity surveyors and two site foremen and one mechanical fitter.</p> <p>The Group has utilised the proceeds for retaining the above newly recruited staffs to facilitate the business development.</p>
Investment in the new information system	<ul style="list-style-type: none"> Upgrade the existing hardware and acquire new computer facilities Upgrade the accounting system to enhance documentation and manual procedures and upgrade the human resources management system to consolidate and automate attendance, payrolls and retirement fund contribution Upgrade the engineering and design system to facilitate the planning, designing, and managing of construction projects through automatic generation of drawings and reports, design analysis, schedule simulation and facilities management 	<p>The Group has upgraded existing hardware and acquired new computer facilities.</p> <p>The Group has upgraded the accounting system to enhance documentation. Having considered the current business size and the market conditions, no suitable human resources management system is identified and the expected time for the upgrade of the human resources management system is delayed. The Group will continue to approach different service providers to search for suitable human resources management system for the Group.</p> <p>The Group has upgraded the engineering and design system.</p>



Management Discussion and Analysis

USE OF NET PROCEEDS FROM LISTING

The net proceeds (the “**Net Proceeds**”) from the Listing, after deduction of the underwriting commission and actual expenses paid by the Group in connection thereto, were approximately HK\$86.6 million. After the Listing, a part of these proceeds have been applied for the purposes in accordance with the future plans and use of proceeds as set out in the Prospectus and the UOP Announcement.

The below table sets out the proposed and actual applications of the Net Proceeds from the date of the Listing to 31 March 2025:

	Planned use of Net Proceeds as disclosed in the Prospectus and as amended in the UOP Announcement HK\$ million	Actual use of proceeds from the date of the Listing to 30 September 2024 HK\$ million	Unutilised Net Proceeds brought forward as at 1 October 2024 HK\$ million	Net Proceeds utilised during the six months ended 31 March 2025 HK\$ million	Unutilised Net Proceeds as at 31 March 2025 HK\$ million	Expected timeline for utilising the unutilised Net Proceeds
Apply for additional licences	9.2	9.2	–	–	–	N/A
Fund the initial costs of the Group’s construction projects	21.8	21.8	–	–	–	N/A
Strengthening the Group’s manpower	13.9	13.9	–	–	–	N/A
Investment in the new information system	2.7	2.3	0.4	–	0.4	30 September 2025
General working capital	39.0	39.0	–	–	–	N/A
	<u>86.6</u>	<u>86.2</u>	<u>0.4</u>	<u>–</u>	<u>0.4</u>	

During the six months ended 31 March 2025, the Net Proceeds from the Listing were utilised and expected to be utilised in the manners as disclosed in the Prospectus and the UOP Announcement. Save as disclosed in the UOP Announcement, there has been no change in the use of Net Proceeds since the date of the Listing.



Management Discussion and Analysis

Up to 31 March 2025, approximately HK\$86.2 million out of the Net Proceeds had been utilised. The remaining unutilised Net Proceeds of approximately HK\$0.4 million were deposited in licensed banks in Hong Kong. The Company intends to apply the net proceeds in the manner as stated in the Prospectus and the UOP Announcement. The Directors will constantly evaluate the Group's business objectives and specific needs from time to time. Further announcement will be made if there are any changes on the use of Net Proceeds as and when appropriate. Such amounts are expected to be fully utilised on or before 30 September 2025.

The business objectives, future plans and planned use of Net Proceeds as stated in the Prospectus and the UOP Announcement were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus and the UOP Announcement while the Net Proceeds were applied based on the actual development of the Group's business and the industry.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Company's shares were successfully listed on the Main Board of the Stock Exchange on 16 October 2018. There has been no change in the capital structure of the Group since then. The capital of the Group only comprises of ordinary shares.

The Group's operation and investments were financed principally by cash generated from its business operations and equity contribution from the shareholders of the Company.

As at 31 March 2025, the Group had net current assets of approximately HK\$27.7 million (30 September 2024: approximately HK\$34.9 million) and bank balances and cash of approximately HK\$28.8 million (30 September 2024: approximately HK\$32.6 million), which were denominated in Hong Kong dollars, Renminbi and United States dollars.

As at 31 March 2025, the Group's total equity attributable to owners of the Company amounted to approximately HK\$27.7 million (30 September 2024: approximately HK\$34.7 million), and the Group's total debt comprising lease liabilities amounted to approximately HK\$1.6 million (30 September 2024: approximately HK\$2.9 million), which were denominated in Hong Kong dollars. The Directors have confirmed that the Group will have sufficient financial resources to meet its obligations as they fall due in the foreseeable future. As of 31 March 2025, the Group has available banking facilities of approximately HK\$22.0 million (30 September 2024: HK\$22.0 million), of which the unutilised banking facilities amounted to approximately HK\$13.9 million (30 September 2024: HK\$8.9 million).

Management Discussion and Analysis

CONTINGENT LIABILITIES

As at 31 March 2025, the Group is required by certain customers of its construction contracts to issue guarantees for the performance of contract works in the form of surety bonds, amounting to approximately HK\$8.1 million (30 September 2024: approximately HK\$13.1 million). The Company and the executive Directors have provided guarantees to insurance companies to secure these surety bonds. The surety bonds are expected to be released in accordance with the terms of the respective construction contracts.

ARBITRATION

As disclosed in the announcement dated 20 January 2023, Fong On Construction Limited (“**Fong On**”), an indirect wholly-owned subsidiary of the Company, is involved in certain disputes in connection to payments owed to Fong On as main contractor for carrying out certain design and construction works for a school in Hong Kong (the “**School**”). Fong On contends, among other things, that the School has failed and/or refused to pay Fong On in accordance with the payment terms agreed and has undervalued the works carried out (including variation works) by Fong On pursuant to the relevant contracts (the “**Disputes**”). On 18 January 2023, Fong On has submitted a written notice to the School requesting the Disputes to be referred to mediation in accordance with and subject to The Government of the Hong Kong Special Administrative Region Construction Mediation Rules. Upon the conclusion of the mediation conference held on 9 May 2023, the parties were unable to reach a settlement agreement in relation to the Disputes.

In addition to the aforementioned mediation, Fong On has also initiated arbitration proceedings against the School with respect to the Disputes (the “**Arbitration**”) on 18 April 2023. As part of the arbitration proceedings, Fong On, as the Claimant, served its Statement of Claim on the School and its management committee. In response, the School and its management committee served its Statement of Defence and Counterclaim upon Fong On. As of the date of this interim report, the parties are now awaiting the Tribunal to rule on each party’s Request to Produce documents, which could take place in May or June 2025. Following the Tribunal’s ruling, the parties will be required to produce any documents as directed by the Tribunal, after which the parties will proceed to exchange witness statements. The Arbitration is still in its preliminary stages and hence the impacts of the Arbitration, if any, on the Company, cannot be fully assessed at this stage. The Company will make further disclosure as and when necessary or appropriately based on the progress of the Arbitration.



Management Discussion and Analysis

CHARGE ON GROUP ASSETS

As at 31 March 2025, the Group has pledged certain motor vehicles with net book value amounted to approximately HK\$0.7 million (30 September 2024: approximately HK\$0.8 million) under non-cancellable lease agreement.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

During the six months ended 31 March 2025, the Group did not have any significant investments held, material acquisitions or disposals of subsidiaries, associates and joint ventures. Save as disclosed herein, the Group did not have other plans for material investments or acquisition of capital assets as at 31 March 2025.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group did not have any capital commitments (30 September 2024: Nil).

TREASURY POLICIES

The Directors will continue to follow a prudent policy in managing the Group's cash and maintaining a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities as well as to meet its funding requirements all the time.



Management Discussion and Analysis

FOREIGN EXCHANGE EXPOSURE

Upon the RY Disposal, all of the Group's business operation were conducted in Hong Kong. The Group's major revenue and expenses are denominated in Hong Kong dollars, while there are certain monetary assets that are denominated in Renminbi, which would expose the Group to foreign exchange risk. The Group currently does not have a foreign currency hedging policy. However, the management of the Company monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

GEARING RATIO

As at 31 March 2025, the gearing ratio of the Group, which is calculated as the total debt (comprising lease liabilities) divided by total equity, was approximately 5.8% (30 September 2024: approximately 8.5%). The decrease in gearing ratio was mainly due to the payment for lease liabilities during the period.

EVENT AFTER THE REPORTING PERIOD

Save as otherwise disclosed in this interim report, the Board is not aware of any other significant events requiring disclosure that have taken place subsequent to 31 March 2025 and up to the date of this interim report.



Management Discussion and Analysis

INTERIM DIVIDEND

No dividend was paid, declared or proposed during the six months ended 31 March 2025. The Board does not recommend the payment of an interim dividend for the six months ended 31 March 2025 (six months ended 31 March 2024: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group had 32 employees (31 March 2024: 210 employees). The number of employees decreased as the Group ceased to engage in the Health Management Business in the PRC upon the RY Disposal during the year ended 30 September 2024. Total staff costs for the six months ended 31 March 2025 amounted to approximately HK\$10.1 million (six months ended 31 March 2024: approximately HK\$24.2 million). Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Various types of training were provided to the employees.

SEGMENT INFORMATION

The Group's reportable and operating segments are as follows: (i) foundation and site formation works; (ii) general building works and associated services; (iii) other construction works; and (iv) construction related consultancy services. Details of the segmental information of the Group is disclosed in Note 4 of the notes to the interim unaudited condensed consolidated financial statements of this interim report.



Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2025, the interests and short positions of each of the Directors and chief executives of the Company (the “**Chief Executive**”) in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Future Ordinance (the “**SFO**”)) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”), to be notified to the Company and the Stock Exchange, were as follows:

Long Positions in the shares and underlying shares of the Company

Name of Director	Capacity/Nature of interest	Number of shares held/ interested	Percentage of shareholding
Dr. CW Lau (<i>Note</i>)	Interest of a controlled corporation	408,000,000	51%
Mr. CM Lau (<i>Note</i>)	Interest of a controlled corporation	408,000,000	51%
Dr. CK Lau (<i>Note</i>)	Interest of a controlled corporation	408,000,000	51%

Note: Elite Bright is 100% owned by Dr. CW Lau, Mr. CM Lau and Dr. CK Lau in equal shares. Therefore, Dr. CW Lau, Mr. CM Lau and Dr. CK Lau are deemed to be, or taken to be, interested in all the shares of the Company held by Elite Bright for the purpose of the SFO.

Other Information

Save as disclosed above, as at 31 March 2025, none of the Directors or Chief Executive had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under provision of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

So far as known to the Directors or Chief Executive, as at 31 March 2025, the following entity and persons (not being the Directors or Chief Executive) had, or were deemed to have, interests or short positions in the shares and the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Name	Capacity/Nature of interest	Number of shares held/ interested	Percentage of shareholding
Elite Bright	Beneficial owner	408,000,000	51%
Ms. Ng Lai Mui Theresa (<i>Note 1</i>)	Interest of spouse	408,000,000	51%
Ms. Ng Kooi Har (<i>Note 2</i>)	Interest of spouse	408,000,000	51%
Ms. Kwong Shun Man Jessie (<i>Note 3</i>)	Interest of spouse	408,000,000	51%

Other Information

Notes:

- (1) Ms. Ng Lai Mui Theresa is the spouse of Dr. CW Lau. Therefore, Ms. Ng Lai Mui Theresa is deemed to be, or taken to be, interested in the same number of shares of the Company in which Dr. CW Lau is interested for the purpose of the SFO.
- (2) Ms. Ng Kooi Har is the spouse of Mr. CM Lau. Therefore, Ms. Ng Kooi Har is deemed to be, or taken to be, interested in the same number of shares of the Company in which Mr. CM Lau is interested for the purpose of the SFO.
- (3) Ms. Kwong Shun Man Jessie is the spouse of Dr. CK Lau. Therefore, Ms. Kwong Shun Man Jessie is deemed to be, or taken to be, interested in the same number of shares of the Company in which Dr. CK Lau is interested for the purpose of the SFO.

Save as disclosed above, as at 31 March 2025, none of the substantial or significant shareholders or other persons, other than the Directors and Chief Executive whose interests are set out in the section “Directors’ and chief executive’s interests and short positions in shares, underlying shares and debentures” above, had or were deemed to have, interests or short positions in the shares and the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) during the six months ended 31 March 2025. As at 31 March 2025, there were no treasury shares (as defined under the Listing Rules) held by the Company.



Other Information

COMPETING INTERESTS

During the six months ended 31 March 2025, none of the Directors or the Controlling Shareholders and their respective associates had any interests in a business, apart from the business of the Group, which competes or may compete with the business of the Group or has any other conflict of interest with the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

Non-Competition Undertaking

In order to avoid any possible future competition between the Group and the Controlling Shareholders, Dr. CW Lau, Mr. CM Lau, Dr. CK Lau and Elite Bright (each a **“Covenantor”** and collectively the **“Covenantors”**) have entered into the deed of non-competition with the Company (for itself and for and on behalf of its subsidiaries) on 17 September 2018 (the **“Deed of Non-competition”**). Pursuant to the Deed of Non-competition, each of the Covenantors has irrevocably and unconditionally undertaken to the Company (for itself and for and on behalf of its subsidiaries) that, during the period the Deed of Non-competition remains effective, he/it shall not, and shall procure that his/its associates (other than any member of the Group) not to develop, acquire, invest in, participate in, carry on or be engaged, concerned or interested or otherwise be involved, whether directly or indirectly, in any business in competition with or likely to be in competition with the existing business activity of any member of the Group.

Each of the Covenantors further undertakes that if any of he/it or his/its close associates other than any member of the Group is offered or becomes aware of any business opportunity which may compete with the business of the Group, he/it shall (and he/it shall procure his/its associates to) notify the Group in writing and the Group shall have a right of first refusal to take up such business opportunity. The Group shall, within 6 months after receipt of the written notice (or such longer period if the Group is required to complete any approval procedures as set out under the Listing Rules from time to time), notify the Covenantor(s) whether the Group will exercise the right of first refusal or not.

The Group shall only exercise the right of first refusal upon the approval of all the independent non-executive Directors (who do not have any interest in such opportunity). The relevant Covenantor(s) and the other conflicting Directors (if any) shall abstain from participating in and voting at and shall not be counted as quorum at all meetings of the Board where there is a conflict of interest or potential conflict of interest including but not limited to the relevant meeting of the independent non-executive Directors for considering whether or not to exercise the right of first refusal.

Other Information

Each of the Covenantors also gave certain non-competition undertakings under the Deed of Non-Competition as set out in the section headed “Relationship with our Controlling Shareholders – Non-Competition Undertakings” in the Prospectus.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regulating securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors have confirmed that they have fully complied with the required standards set out in the Model Code during the six months ended 31 March 2025 and up to the date of this interim report.

SHARE OPTION SCHEME

The Company’s share option scheme (the “**Scheme**”) was adopted pursuant to resolutions passed on 17 September 2018 as to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

Under the Scheme, the Board may, at their absolute discretion and subject to the terms of the Scheme, grant any employee (full-time or part-time), Director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, options to subscribe for shares of the Company. The basis of eligibility of any participant to the grant of any option shall be determined by the Board from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

The maximum number of shares issuable upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company as from the adoption date must not in aggregate exceed 80,000,000, representing 10% of all the shares in issue as at the date of approval of the Scheme and any other share schemes of the Company (the “**Scheme Mandate Limit**”). The Scheme Mandate Limit may be refreshed once every three years by obtaining approval of the Company’s shareholders in general meeting provided that the total number of Company’s shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company’s shares in issue as at the date of



Other Information

approval of the refreshed limit. No options may be granted under the Scheme or any other share option schemes of the Company if this will result in the Scheme Mandate Limit being exceeded.

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme or any other share option schemes of the Company in any 12-month period up to date of grant shall not exceed 1% of the shares of the Company in issue. Where any further grant of options in excess of such limit, such further grant must be separately approved by shareholders of the Company in general meeting with such grantee and his/her close associates abstaining from voting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive director who is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective close associates would result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HK\$5 million must be approved by the Company's shareholders at the general meeting of the Company, with voting to be taken by way of poll.

An offer for the grant of options must be accepted in writing within 7 days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

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The subscription price shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the option; and (iii) the nominal value of the Company's share on the offer date of grant of the option.

The Scheme will remain in force for a period of ten years commencing on 17 September 2018 and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the shareholders at a general meeting of the Company. As at the date of this interim report, the Scheme had a remaining life of approximately three years.

As at 31 March 2025, the number of share options available for grant under the Scheme was 80,000,000 (30 September 2024: 80,000,000). During the six months ended 31 March 2025, no share option was granted, exercised, expired, lapsed or cancelled and there is no outstanding share option under the Scheme. As such, no shares of the Company may be issued in respect of options granted under all share schemes of the Company during the six months ended 31 March 2025.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to achieving and maintaining high standards of corporate governance, as the Board believes that good and effective corporate governance practices are key to obtain and maintain the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the shareholders of the Company. The Company has adopted the principles and code provisions in the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of the Listing Rules. The Company has fully complied with the CG Code during the six months ended 31 March 2025 and up to the date of this interim report.



Other Information

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 17 September 2018. The chairman of the Audit Committee is Mr. Pang Ka Hang, the independent non-executive Director, and other members include Mr. Leung Bing Kwong Edward and Mr. Wong Chun Nam, the independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the Stock Exchange’s website and on the Company’s website.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has complied with Rule 3.21 of the Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The Group’s interim unaudited condensed consolidated financial statements for the six months ended 31 March 2025 have not been audited nor reviewed by the Company’s independent auditors. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the interim unaudited condensed consolidated financial statements of the Group for the six months ended 31 March 2025 with the management.

By order of the Board
Shing Chi Holdings Limited
Lau Chi Wang
Chairman and Executive Director

Hong Kong, 29 May 2025