



# Maxicity Holdings Limited 豐城控股有限公司

*(Incorporated in the Cayman Islands with members' limited liability)*

Stock code: 2295

# 2025

INTERIM REPORT

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Sieh Shing Kee (*Chairman*)  
Mr. Ho Ka Ki (*Chief Executive Officer*)

### Independent non-executive Directors

Ms. Chiao Siu Ling  
Mr. Kwong Che Sing  
Mr. Ling Siu Tsang  
Mr. Tso Ping Cheong Brian

### AUDIT COMMITTEE

Mr. Tso Ping Cheong Brian (*Chairman*)  
Ms. Chiao Siu Ling  
Mr. Kwong Che Sing  
Mr. Ling Siu Tsang

### REMUNERATION COMMITTEE

Mr. Ling Siu Tsang (*Chairman*)  
Mr. Sieh Shing Kee  
Ms. Chiao Siu Ling  
Mr. Kwong Che Sing

### NOMINATION COMMITTEE

Mr. Sieh Shing Kee (*Chairman*)  
Ms. Chiao Siu Ling  
Mr. Kwong Che Sing  
Mr. Ling Siu Tsang

### COMPANY SECRETARY

Mr. Lam Kau Wang (*HKICPA, ACCA*)

### COMPLIANCE OFFICER

Mr. Ho Ka Ki

## AUTHORISED REPRESENTATIVES

Mr. Ho Ka Ki  
Mr. Lam Kau Wang

### PRINCIPAL BANKER

Hang Seng Bank Limited  
83 Des Voeux Road Central  
Hong Kong

### AUDITOR

Grant Thornton Hong Kong Limited  
*Certified Public Accountants*  
11th Floor  
Lee Garden Two  
28 Yun Ping Road  
Causeway Bay  
Hong Kong

### COMPLIANCE ADVISER

Aurelius Corporate Finance Limited  
Room 2802, 28/F  
Tung Wai Commercial Building  
109–111 Gloucester Road  
Wan Chai  
Hong Kong

### LEGAL ADVISERS AS TO HONG KONG LAW

David Fong & Co., Solicitors  
Unit A, 12/F  
China Overseas Building  
139 Hennessy Road  
Wanchai  
Hong Kong

## CORPORATE INFORMATION

### **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Boardroom Share Registrars (HK) Limited  
Room 2103B, 21/F  
148 Electric Road  
North Point  
Hong Kong

### **WEBSITE**

[www.maxicity.com.hk](http://www.maxicity.com.hk)

### **STOCK CODE**

02295

### **CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### **CAYMAN ISLANDS REGISTERED OFFICE**

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### **PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Room 302, 3/F  
Magnet Place Tower 1  
77–81 Container Port Road  
Kwai Chung  
New Territories  
Hong Kong

## FINANCIAL HIGHLIGHTS

The revenue of Maxicity Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) increased from approximately HK\$84.8 million for the six months ended 30 June 2024 to approximately HK\$131.4 million for the six months ended 30 June 2025, representing an increase of approximately HK\$46.6 million or 54.9%. Such significant increase was mainly due to the increase in both relatively larger scale projects (i.e. projects with revenue recognised HK\$10.0 million or above) from public sector and relatively smaller scale projects (i.e. projects with revenue recognised between HK\$1.0 million and HK\$5.0 million) during the six months ended 30 June 2025.

Gross profit increased by approximately HK\$2.0 million, or 34.3%, from approximately HK\$5.9 million for the six months ended 30 June 2024 to approximately HK\$7.9 million for the six months ended 30 June 2025. The increase in gross profit was mainly attributable to the increase in the Group’s revenue as mentioned above. Gross profit margin decreased from approximately 6.9% for the six months ended 30 June 2024 to approximately 6.0% for the six months ended 30 June 2025. The decrease in gross profit margin was mainly attributable to the slight increase in our costs of service, which was caused by the increase in subcontracting costs for completing our two major public projects at the end of this period.

Profit and total comprehensive income increased from approximately HK\$1.7 million for the six months ended 30 June 2024 to approximately HK\$3.7 million for the six months ended 30 June 2025, representing an increase of approximately HK\$2.0 million or 121.2%. Such increase was mainly attributable to the increase of revenue and gross profit for the six months ended 30 June 2025 as mentioned above as compared to the six months ended 30 June 2024.

Basic and diluted earnings per share amounted to approximately HK0.92 cents for six months ended 30 June 2025 (six months ended 30 June 2024: HK0.42 cents).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

The Board of the Company hereby announces the unaudited condensed interim consolidated results of the Group for the six months ended 30 June 2025, together with the comparative unaudited figures for the six months ended 30 June 2024 and certain comparative figures as at the end of the last audited financial year 31 December 2024.

		Six months ended 30 June	
		2025	2024
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
<b>Revenue</b>	3	<b>131,357</b>	84,794
Cost of services		<b>(123,499)</b>	(78,942)
<b>Gross profit</b>		<b>7,858</b>	5,852
Other income, gains and losses	4	<b>859</b>	811
Administrative expenses		<b>(4,825)</b>	(4,539)
Finance costs	5	<b>(30)</b>	(32)
<b>Profit before income tax</b>	6	<b>3,862</b>	2,092
Income tax expense	7	<b>(166)</b>	(421)
<b>Profit and total comprehensive income for the period attributable to equity holders of the Company</b>		<b>3,696</b>	1,671
<b>Earnings per share attributable to equity holders of the Company</b>			
Basic and diluted	8	<b>HK0.92 cent</b>	HK0.42 cent

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	6,209	8,256
Bond receivable	11	40,000	–
		<b>46,209</b>	<b>8,256</b>
<b>Current assets</b>			
Trade and other receivables	12	5,234	25,341
Contract assets	13	22,626	13,860
Current tax recoverable		1,001	1,095
Cash and bank balances		70,411	63,365
		<b>99,272</b>	<b>103,661</b>
<b>Current liabilities</b>			
Trade and other payables	14	17,071	24,753
Contract liabilities	13	1,038	3,136
Lease liabilities		638	843
		<b>18,747</b>	<b>28,732</b>
<b>Net current assets</b>		<b>80,525</b>	<b>74,929</b>
<b>Total assets less current liabilities</b>		<b>126,734</b>	<b>83,185</b>
<b>Non-current liabilities</b>			
Lease liabilities		53	272
Long service payment obligations		293	293
Deferred tax liabilities		867	795
Bond	11	40,000	–
		<b>41,213</b>	<b>1,360</b>
<b>Net assets</b>		<b>85,521</b>	<b>81,825</b>
<b>EQUITY</b>			
Share capital	15	4,000	4,000
Reserves		81,521	77,825
<b>Equity attributable to equity holders of the Company</b>		<b>85,521</b>	<b>81,825</b>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024 (Audited)	4,000	50,084	1	88,995	143,080
Dividend paid ( <i>note 9</i> )	–	–	–	(70,000)	(70,000)
Profit and total comprehensive income for the period	–	–	–	1,671	1,671
At 30 June 2024 (Unaudited)	4,000	50,084	1	20,666	74,751
At 1 January 2025 (Audited)	<b>4,000</b>	<b>50,084</b>	<b>1</b>	<b>27,740</b>	<b>81,825</b>
Profit and total comprehensive income for the period	–	–	–	<b>3,696</b>	<b>3,696</b>
At 30 June 2025 (Unaudited)	<b>4,000</b>	<b>50,084</b>	<b>1</b>	<b>31,436</b>	<b>85,521</b>



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
<b>Cash flows from operating activities</b>		
Profit before income tax	3,862	2,092
Adjustments for:		
Depreciation	2,244	1,950
(Gain)/loss on disposal of property, plant and equipment	(192)	3
Interest expense for lease liabilities	30	32
Interest income	(665)	(814)
Operating profit before working capital changes	5,279	3,263
(Increase)/decrease in contract assets	(8,766)	1,788
Decrease in trade and other receivables	20,107	1,591
(Decrease)/increase in trade and other payables	(7,682)	3,399
Decrease in contract liabilities	(2,098)	–
Cash generated from operations	6,840	10,041
Income taxes paid	–	–
<i>Net cash generated from operating activities</i>	<b>6,840</b>	<b>10,041</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(195)	(3,425)
Proceeds from disposal of property, plant and equipment	192	4
Interest received	665	674
<i>Net cash generated from/(used in) investing activities</i>	<b>662</b>	<b>(2,747)</b>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(456)	(333)
Dividend paid	–	(70,000)
<i>Net cash used in financing activities</i>	<b>(456)</b>	<b>(70,333)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>7,046</b>	<b>(63,039)</b>
Cash and cash equivalents at the beginning of period	63,365	114,555
<b>Cash and cash equivalents at the end of period</b>	<b>70,411</b>	<b>51,516</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Act of the Cayman Islands on 30 January 2019. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is Room 302, 3/F, Magnet Place Tower 1, 77-81 Container Port Road, Kwai Chung, New Territories, Hong Kong.

The Company's shares (the **"Shares"**) were listed on the GEM of The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) on 13 December 2019 (the **"Listing Date"**) (the **"Listing"**). On 31 December 2021, the listing of the shares of the Company has been transferred from the GEM to the Main Board of the Stock Exchange (the **"Main Board"**) (the **"Transfer of Listing"**). The Company is an investment holding company.

The Group is principally engaged in undertaking slope works in Hong Kong. The Company's immediate and ultimate holding company is Good Hill Investment Limited (**"Good Hill"**), a company incorporated in the British Virgin Islands (the **"BVI"**). The ultimate controlling shareholders of the Group are Mr. Sieh Shing Kee (**"Mr. Sieh"**) and Mr. Ho Ka Ki (**"Mr. Ho"**) (collectively, the **"Controlling Shareholders"**).

The interim financial report of the Group for the six months ended 30 June 2025 (**"Interim Financial Report"**) was approved for issue by the Board of directors (the **"Directors"**) on 27 August 2025.

## 2. BASIS OF PREPARATION

### 2.1 General

This Interim Financial Report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Main Board (the **"Listing Rules"**), including compliance with Hong Kong Accounting Standard (**"HKAS"**) 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants (**"HKICPA"**).

The preparation of an Interim Financial Report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.1 General (Continued)

This Interim Financial Report contains the unaudited condensed consolidated interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The unaudited condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”).

The financial information relating to the financial year ended 31 December 2024 that is included in the Interim Financial Report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

The Interim Financial Report has been prepared on the historical cost basis. The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousand (HK\$’000), except where otherwise indicated.

### 2.2 Adoption of New or Amended HKFRSs

#### ***New and amended HKFRSs that are effective for annual periods beginning on or after 1 January 2025***

The Interim Financial Report has been prepared in accordance with the accounting policies adopted in the Group’s annual financial statements for the year ended 31 December 2024, except for the adoption of the following new and amended HKFRSs effective as of 1 January 2025. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

Amendments to HKAS 21

Lack of Exchangeability

The adoption of these new and amended HKFRSs do not have any material impact on how the results and financial position for the current and prior periods have been prepared and presented.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.2 Adoption of New or Amended HKFRSs (Continued)

#### *Issued but not yet effective HKFRSs*

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>1</sup>
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> Effective date not yet determined

The directors of the Company anticipate that the above new and amended HKFRSs will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of such standards. The Group is in the process of making an assessment of the impact of these new and amended HKFRSs upon initial application. Currently it has been considered that the adoption of them is unlikely to have a material impact on the Group's results of operations and financial position.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 3. REVENUE

The Group's principal activities are disclosed in note 1 to the Interim Financial Report. Revenue represents income arising on the provision of slope works to external customers. The Group's revenue is recognised over time.

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Provision of slope works		
Public sector projects	125,428	79,271
Private sector projects	5,929	5,523
	<b>131,357</b>	<b>84,794</b>

## 4. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	665	814
Gain/(loss) on disposal of property, plant and equipment	192	(3)
Sundry income	2	–
	<b>859</b>	<b>811</b>

## 5. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on lease liabilities	30	32

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 6. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit before income tax is stated after charging:		
(a) Staff costs (including directors' emoluments)		
(note)		
– Directors' emoluments	2,209	1,765
– Salaries, wages and other benefits	25,173	19,270
– Contributions to defined contribution retirement plans	1,060	810
	<b>28,442</b>	<b>21,845</b>
Note:		
Presenting in consolidated statement of profit or loss and other comprehensive income as:		
– Cost of services	25,462	19,240
– Administrative expenses	2,980	2,605
	<b>28,442</b>	<b>21,845</b>
(b) Other items		
Depreciations, included in		
Cost of service		
– owned assets	1,838	1,561
– right-of-use assets	399	249
Administrative expenses		
– owned assets	7	10
– right-of-use assets	–	130
	<b>2,244</b>	<b>1,950</b>
Auditor's remuneration	<b>400</b>	<b>400</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Provision for Hong Kong Profits Tax		
Current tax	94	–
Deferred tax	72	421
	<b>166</b>	421

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

During the six months ended 30 June 2025 and 2024, Hong Kong Profits Tax of A-City Workshop Limited (“**A-City Workshop**”), a subsidiary of the Group, is calculated in accordance with the two-tiered profits tax rates regime. Profit tax of other group entities continue to be taxed at the flat rate of 16.5%.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 8. EARNINGS PER SHARE

	Six months ended 30 June 2025 (Unaudited)	2024 (Unaudited)
Earnings for the purpose of calculating basic earnings per share (profit for the period) (HK\$'000)	3,696	1,671
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousand)	400,000	400,000

There were no dilutive potential ordinary shares during the six months ended 30 June 2025 and 2024, respectively and therefore, diluted earnings per share equals to basic earnings per share.

## 9. DIVIDEND

The board of directors does not recommend the payment of an interim dividend for the period ended 30 June 2025 (six months ended 30 June 2024: HK\$Nil).

In the meeting of the board of directors held on 19 January 2024, the board proposed a special dividend of HK17.5 cents per ordinary share, totalling HK\$70,000,000. The proposal was approved by shareholders of the Company in the extraordinary general meeting held on 2 February 2024 and the special dividend was paid on 16 February 2024.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment of approximately HK\$0.2 million (six months ended 30 June 2024: HK\$3.4 million).



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 11. BOND RECEIVABLE AND BOND

Bond receivable represents two independent private investors (the **"Subscribers"**) to subscribe a one-year 8% coupon rate Bond issued (the **"Bond"**) by Kinglink Capital Holdings Company Limited (the **"Kinglink Capital"**), a subsidiary of the Group, with an aggregate principal amount of HK\$40,000,000. The issuance of the Bond has taken place on 25 June 2025 and the whole amounts have been received on 2 July 2025.

The net proceeds from the Bond are intended to be applied towards supporting the Group's strategic entry into the industrial park management sector in the People's Republic of China (the **"PRC"**), with an initial focus on Ganzhou City, Jiangxi Province.

On 9 June 2025, the Group has established a new subsidiary, Jiangxi Jincheng Holdings Development Company Limited\* (江西金晟控股發展有限公司), in Ganzhou City, Jiangxi Province, the PRC (the **"PRC Subsidiary"**), the equity interests of which are wholly-owned by Kinglink Capital in Hong Kong.

The permitted business scope of the PRC Subsidiary mainly include enterprise headquarters management, industrial park management services, commercial complex management services, market management services, hotel management, non-residential real estate leasing, housing leasing, parking lot services, property management, information consulting services (excluding licensed information consulting services), asset management services with self-owned funds investment, asset valuation (except for projects requiring approval according to law, carry out business activities independently in accordance with the law with the business license).

The establishment of the PRC Subsidiary forms part of this strategy and enables the Group to position itself for potential future participation in the industrial park management sector in the PRC, with a particular focus on Ganzhou City, Jiangxi Province.

Specifically, the proceeds will be allocated to the PRC Subsidiary to facilitate early-stage preparations and exploratory work within its permitted business scope.

\* For illustrative purpose

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 12. TRADE AND OTHER RECEIVABLES

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Trade receivables (note (a))	315	19,872
Other receivables (note (b))	2,334	2,207
Prepaid insurance	2,585	3,262
	<b>5,234</b>	<b>25,341</b>

The directors consider that the fair values of trade and other receivables are not materially different from their carrying amounts, because their balances have short maturity periods on their inception.

Notes:

### (a) Trade receivables

The Group grants credit terms to customers for a period of 30 to 60 days from the invoice date for trade receivables. For settlement of trade receivables from provision of undertaking slope works, the Group usually reaches an agreement on the term of each payment with the customer by taking into account of factors such as, among other things, the credit history of the customer, its liquidity position and the Group's working capital needs, which varies on a case-by-case basis that requires the judgment and experience of the management.

Based on the invoice date, the ageing analysis of the trade receivables is as follows:

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
0–30 days	–	17,164
31–90 days	–	1,130
More than 90 days	315	1,578
	<b>315</b>	<b>19,872</b>

The Group applies the simplified approach to provide for ECLs prescribed by HKFRS 9 which permits the use of lifetime ECL provision for all trade receivables. As at 30 June 2025 and 31 December 2024, the Group assessed the loss allowance and the expected credit loss rate under the application of HKFRS 9 were insignificant.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 12. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (Continued)

### (b) Other receivables

As at 30 June 2025, other receivables mainly comprised of: (1) utility deposits which amounted to HK\$2,178,000 (31 December 2024: HK\$2,045,000); and (2) interest receivables which amounted to HK\$133,000 (31 December 2024: HK\$139,000).

## 13. CONTRACT ASSETS AND CONTRACT LIABILITIES

### 13.1 Contract assets

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Unbilled revenue	18,941	7,708
Retention receivables	3,685	6,152
	<b>22,626</b>	13,860

Contract assets represent the Group's right to considerations from customers for the provision of undertaking slope work, which arise when: (i) the Group completed the relevant services under such contracts but yet certified by architects, surveyors or other representatives; and (ii) the customers withhold certain certified amounts payable to the Group as retention money to secure the due performance of the contracts after the expiry of the defect liability period of construction projects. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiced to the customer. As at 30 June 2025 and 31 December 2024, the Group assessed the loss allowance and the expected credit loss rate under the application of HKFRS 9 were insignificant.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 13. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

### 13.1 Contract assets (Continued)

Changes of contract assets during the six months ended 30 June 2025 were mainly due to:

- (1) Changes in unbilled revenue as a results of number of contract works that the relevant services were completed and certified during the year; and
- (2) Changes in retention receivables as a result of a decrease of number of ongoing and completed contracts under the defect liability period during the year.

### 13.2 Contract liabilities

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Contract liabilities arising from construction contracts from billings in advance of performance	1,038	3,136

All of the contract liabilities are expected to be recovered/settled within one year.

## 14. TRADE AND OTHER PAYABLES

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Trade payables (note (a))	16,228	23,021
Accruals and other payables (note (b))	843	1,732
	17,071	24,753

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 14. TRADE AND OTHER PAYABLES (CONTINUED)

Notes:

### (a) Trade payables

The Group is granted by its suppliers a credit period ranging from 0 to 45 days. The ageing analysis of trade payables based on the invoice date is as follows:

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
0–30 days	16,004	22,398
31–365 days	–	399
Over 365 days	224	224
	<b>16,228</b>	<b>23,021</b>

### (b) Accruals and other payables

As at 30 June 2025, accruals and other payables mainly comprised of: (1) other payable to subcontractors which amounted to HK\$340,000 (31 December 2024: HK\$340,000); and (2) accrued professional fee which amounted to HK\$500,000 (31 December 2024: HK\$1,330,000).

All amounts are short-term and hence, the carrying values of the Group's trade and other payables are considered to be a reasonable approximation of fair value.

## 15. SHARE CAPITAL

	Number of shares	HK\$'000
<b>Authorised:</b>		
As at 30 June 2025 (unaudited) and 31 December 2024 (audited)	1,000,000,000	10,000
<b>Issued and fully paid:</b>		
As at 30 June 2025 (unaudited) and 31 December 2024 (audited)	400,000,000	4,000

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 16. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Interim Financial Report, the Group had the following related party transaction during the six months ended 30 June 2025 and 2024, respectively.

### Key management personnel remuneration

The emoluments of the directors and senior management of the Company, who represent the key management personnel during the period are as follows:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Salaries, fee and allowances	3,433	3,132
Retirement benefit scheme contributions	36	36
	<b>3,469</b>	3,168

## 17. CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2025 and 31 December 2024, respectively.

## 18. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The Interim Financial Report was both approved and authorised for issue by the Board on 27 August 2025.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND PROSPECT

The Group is a slope works contractor in Hong Kong. The slope works undertaken by the Group generally involve landslip preventive and remedial works for improving or maintaining the stability of slopes and/or retaining walls. The Group is experienced in undertaking different kinds of slope works which mainly comprise the following activities:

- (i) drilling and installation of soil nails;
- (ii) construction of retaining walls;
- (iii) installation of debris flow protection rigid barriers;
- (iv) construction of flexible barrier system;
- (v) installation of raking drains;
- (vi) installation of wire meshes and mats for erosion control;
- (vii) construction of concrete maintenance stairway/access; and
- (viii) landscape softworks and establishment works.

A-City Workshop, the Group's principal operating subsidiary, has obtained the following registrations:

- (i) an approved specialist contractor on the List of Approved Specialist Contractors for Public Works maintained by the Development Bureau under the category of "Landslip preventive/remedial works to slopes/retaining walls" ("**Approved Specialist Contractor**");
- (ii) a Registered General Building Contractor under section 8A of the Buildings Ordinance;
- (iii) a Registered Specialist Contractor under the sub-register of "site formation works" under section 8A of the Buildings Ordinance; and
- (iv) a Registered Subcontractor for earthwork and geotechnical works under Register of Subcontractors of the Construction Industry Council.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 30 June 2025, the Group undertook 18 contracts with an aggregate contract sum of approximately HK\$830.6 million. As at 30 June 2025, 1 contract with aggregate contract sum of approximately HK\$3.4 million has not yet commenced its work. As at 30 June 2025, apart from this aforementioned project that not yet commenced its work, the Group had 17 contracts in progress with an aggregate contract sum of approximately HK\$827.3 million.

In 2025, the Civil Engineering and Development Department (the “**CEDD**”) continued the Landslip Prevention and Mitigation Programme (the “**LPMitP**”) to upgrade government man-made slopes, mitigate landslide hazards and conduct safety screenings. Under the LPMitP, 150 man-made slopes were upgraded in 2024 and 36 man-made slopes were upgraded in the three months ended 31 March 2025. As put forward in the Hong Kong 2025–2026 Budget by the government of Hong Kong (the “**Government**”), the Government estimated that the expenditure for landslip prevention and mitigation will reach HK\$1.32 billion in 2025/26, up from HK\$1.27 billion in 2024/25. In the Chief Executive’s 2024 Policy Address announced in October 2024, the Chief Executive announced a series of policy measures to enhance land supply, including that the Government will (i) deliver about 300 hectares of newly formed land from 2025–26 to 2034–35; (ii) make land available for the production of around 80,000 private housing units from 2025–26 to 2029–30; (iii) conduct feasibility studies for rezoning 255 hectares of green belt sites identified for housing development; (iv) resume around 1,000 hectares of private land for government projects from 2024–25 to 2028–29; and (v) commence works in Tseung Kwan O Area 137 within 2025.

Hong Kong’s economy recorded solid growth in the second quarter of 2025. According to the Government, the real GDP grew by 3.1% in the second quarter of 2025 compared to the same period a year before. On a seasonally adjusted quarter-to-quarter basis, the real GDP increased by 0.4%. The Government foresees continue growth in the economy due to steady economic growth in mainland China, sustained increases in local employment earnings, robust stock market and the stabilisation of the residential property market. The Government note that tariff rates announced by the US and US’ tariff policy remains quite uncertain, which could hinder international trade flows and cause inflation and deter economic activities. The uncertainty surrounding the pace of interest rate cut in the US may also affect Hong Kong’s investment sentiment. The Group expects the second half of 2025 to continue to be challenging. In view of the uncertainty in the global economy, the Directors aim to focus on existing projects and have taken a more conservative approach in tendering for new projects until the market condition is more certain. The Directors remain cautious on the Group’s business outlook in the remainder of 2025.



# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased from approximately HK\$84.8 million for the six months ended 30 June 2024 to approximately HK\$131.4 million for the six months ended 30 June 2025, representing an increase of approximately HK\$46.6 million or 54.9%. Such significant increase was mainly due to the increase in both relatively larger scale projects (i.e. projects with revenue recognised HK\$10.0 million or above) from public sector and relatively smaller scale projects (i.e. projects with revenue recognised between HK\$1.0 million and HK\$5.0 million) during the six months ended 30 June 2025.

Number of projects with revenue contributions:

	Six months ended 30 June	
	2025	2024
Public sector projects	12	11
Private sector projects	5	7
Total	17	18

Revenue recognised:

	Six months ended 30 June	
	2025	2024
HK\$10.0 million or above	5	4
HK\$5.0 million to below HK\$10.0 million	1	3
HK\$1.0 million to below HK\$5.0 million	7	4
Below HK\$1.0 million	4	7
Total	17	18

# MANAGEMENT DISCUSSION AND ANALYSIS

## Cost of Services

Cost of services increased by approximately HK\$44.6 million, or 56.4%, from approximately HK\$78.9 million for the six months ended 30 June 2024 to approximately HK\$123.5 million for the six months ended 30 June 2025. Such increase in cost of services was mainly contributed by the increase in the Group's revenue mentioned above.

## Gross Profit and Gross Profit Margin

Gross profit increased by approximately HK\$2.0 million, or 34.3%, from approximately HK\$5.9 million for the six months ended 30 June 2024 to approximately HK\$7.9 million for the six months ended 30 June 2025. The increase in gross profit was mainly attributable to the increase in the Group's revenue as mentioned above. Gross profit margin decreased from approximately 6.9% for the six months ended 30 June 2024 to approximately 6.0% for the six months ended 30 June 2025. The decrease in gross profit margin was mainly attributable to the more-than-proportionate increase in our costs of service as compared to the increase in revenue, which was caused by the increase in subcontracting costs for completing our two major public projects at the end of this period.

## Other Income, Gains and Losses

Other income, gains and losses increased by approximately HK\$48,000 from approximately HK\$811,000 for the six months ended 30 June 2024 to approximately HK\$859,000 for the six months ended 30 June 2025. Such increase was mainly due to the increase in gain on disposal of property, plant and equipment by approximately HK\$195,000 which outweighed from the decrease in the bank interest income of approximately HK\$149,000 during the six months ended 30 June 2025.

## Administrative Expenses

Administrative expenses increased by approximately HK\$0.3 million, or 6.3%, from approximately HK\$4.5 million for the six months ended 30 June 2024 to approximately HK\$4.8 million for the six months ended 30 June 2025. The increase in administrative expenses is contributed by the increase in staff costs.

## Finance Costs

The Group's finance costs which was derived from lease liabilities, amounted to approximately HK\$30,000 and HK\$32,000 for the six months ended 30 June 2025 and 2024, respectively. The decrease in finance cost is caused by the settlement of lease liabilities in previous years.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Income Tax Expenses

As a result of the above, income tax expenses decreased by approximately HK\$0.3 million from approximately HK\$0.4 million for the six months ended 30 June 2024 to approximately HK\$0.2 million for the six months ended 30 June 2025 which is generated from the decrease in deferred tax expenses.

## Profit and Total Comprehensive Income for the Period

Profit and total comprehensive income increased from approximately HK\$1.7 million for the six months ended 30 June 2024 to approximately HK\$3.7 million for the six months ended 30 June 2025, representing an increase of approximately HK\$2.0 million or 121.2%. Such increase was mainly attributable to the increase of revenue and gross profit for the six months ended 30 June 2025 as mentioned above.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

### Financial Resources and Liquidity

As at 30 June 2025, the Group recorded net current assets of approximately HK\$80.5 million (31 December 2024: approximately HK\$74.9 million). The Group had cash and bank balances of approximately HK\$70.4 million as at 30 June 2025 (31 December 2024: approximately HK\$63.4 million), which were denominated in Hong Kong dollars. The Group's financial resources were funded mainly by its equity capital, cash generated from its operations and bond. As at 30 June 2025, the Group's current assets amounted to approximately HK\$99.3 million (31 December 2024: approximately HK\$103.7 million) and the Group's current liabilities amounted to approximately HK\$18.7 million (31 December 2024: approximately HK\$28.7 million).

On 25 June 2025, Kinglink Capital Holdings Company Limited ("**Kinglink Capital**"), a subsidiary of the Group, issued a one-year bond (the "**Bond**") with an aggregate principal amount of HK\$40,000,000. Such bond pays a fixed coupon rate of 8% annually and denominated in Hong Kong dollars. Please refer to the announcements of the Company dated 10 June 2025 and 25 June 2025 for further details of the Bond and the use of proceeds.

Current ratio was approximately 5.3 times as at 30 June 2025 (31 December 2024: approximately 3.6 times). Current ratio is calculated based on total current assets at the end of the period divided by total current liabilities at the end of the period.

Gearing ratio was approximately 47.6% as at 30 June 2025 (31 December 2024: approximately 1.4%) which was calculated based on the total interest bearing liability at the end of the period divided by total equity at the end of the period. Such increase in gearing ratio was mainly due to the issue of the Bond on 25 June 2025.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Capital Structure

For the six months ended 30 June 2025, the capital structure of the Group consisted of equity attributable to the owners of the Company of approximately HK\$85.5 million. The share capital of the Group only consists of ordinary shares. There has been no change in the capital structure of the Group since the Listing and the Transfer of Listing. The Group also deployed bond as its financial resources.

## TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the six months ended 30 June 2025. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

## CAPITAL EXPENDITURE

During the six months ended 30 June 2025, the Group invested approximately HK\$0.2 million on the acquisition of property, plant and equipment. Capital expenditure was principally funded by internal resources.

## FOREIGN CURRENCY EXPOSURE RISKS

The Group operates mainly in Hong Kong and is not exposed to any foreign exchange risks throughout the six months ended 30 June 2025. As such, the Directors consider the Group's risk in foreign exchange is insignificant and no foreign exchange hedging was conducted by the Group during the six months ended 30 June 2025.

## CONTINGENT LIABILITY

As at both 30 June 2025 and 31 December 2024, the Group had no contingent liabilities.

## PLEDGE OF ASSETS

As at both 30 June 2025 and 31 December 2024, the Group did not have any pledge of assets.

# MANAGEMENT DISCUSSION AND ANALYSIS

## SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any significant investments held, material acquisitions nor disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2025.

## USE OF PROCEEDS OF THE BOND

The net proceeds from the proposed issuance of the Bond are intended to be applied towards supporting the Group's strategic entry into the industrial park management sector in the PRC, with an initial focus on Ganzhou City, Jiangxi Province. Specifically, the proceeds will be allocated to the one of the Group's subsidiary to facilitate early-stage preparations and exploratory work within its permitted business scope.

Please refer to the announcements of the Company dated 10 June 2025 and 25 June 2025 for further details of the Bond and the use of proceeds.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section above headed "Use of Proceeds of the Bond", the Group does not have any other plans for material investments or capital assets.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The principal activity of the Group is governed by environmental laws and regulations in Hong Kong such as those relation to air pollution control and noise control as set out in the section headed "Regulatory Overview" in the listing documents of the Company dated 31 December 2021.

The Group recognises the importance of environmental protection and has implemented various environmental protection measures, such as reducing air pollutant emissions and noise assessment, in order to minimise the operation impact on the environment and natural resources.

The Group will continue to monitor the business operations in order to ensure that it does not carry any significant adverse effect on the environment and that the Group's environment protection measures are adequate to ensure compliance with all applicable laws or regulations in Hong Kong.

As at the date of this report, no prosecution, penalty or punishment has been imposed upon the Group for the violation of any applicable environmental laws or regulations.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 30 June 2025, the interests or short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which (a) would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which such Directors and chief executives of the Company were taken or deemed to have under such provisions of the SFO); or (b) would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) would be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer (the “Model Code”) relating to securities transactions by directors to be notified to the Company and the Stock Exchange, were as follows:

### Long positions in shares and underlying shares of the Company and its associated corporation

Names of Directors	Company concerned	Nature of interest/ holding capacity	Number of Ordinary shares held	Percentage of interests in the issued share capital of the Company/ associated corporation
Mr. Sieh	Company	Interest in a controlled corporation/ Interests held jointly with another person	300,000,000 (L) (Notes 2 and 3)	75% (Note 1)
	Good Hill	Beneficial owner	2 (L) (Note 3)	50%
Mr. Ho	Company	Interest in a controlled corporation/ Interests held jointly with another person	300,000,000 (L) (Notes 2 and 3)	75% (Note 1)
	Good Hill	Beneficial owner	2 (L) (Note 3)	50%

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## Notes:

1. As at 30 June 2025, the Company's issued ordinary share capital was HK\$4.0 million divided into 400,000,000 shares of HK\$0.01 each.
2. These 300,000,000 Shares are held by Good Hill, which in turn are directly owned in equal share by each of Mr. Sieh and Mr. Ho. As such, Mr. Sieh and Mr. Ho are deemed under the SFO to be interested in the 300,000,000 Shares collectively held through Good Hill.
3. The letter "L" denotes the person's long position in the shares.

Save as disclosed above, as at the date of this report, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered into the register required to be kept therein; or (iii) pursuant to the Model Code relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

## **INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS**

As at 30 June 2025, so far as it is known to the Directors, the following persons (not being a Director or chief executive of the Company) had or were deemed to have interests in shares or underlying shares of the Company which (i) were recorded in the register required to be kept by the Company under Section 336 of the SFO, or (ii) which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules, or (iii) who will be, directly or indirectly, 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 any member of the Group.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## Long position in shares

Names of shareholders	Nature of interest/ holding capacity	Number of ordinary shares held	Percentage of interests in the issued share capital of the Company (Note 1)
Good Hill	Beneficial owner	300,000,000 (L) (Notes 2 and 5)	75%
Ms. Cao Hongmei	Interest of spouse	300,000,000 (L) (Notes 3 and 5)	75%
Ms. Lee Kim Kum	Interest of spouse	300,000,000 (L) (Notes 4 and 5)	75%

### Notes:

1. As at 30 June 2025, the Company's issued ordinary share capital was HK\$4.0 million divided into 400,000,000 shares of HK\$0.01 each.
2. These 300,000,000 Shares are held by Good Hill, which in turn are directly owned in equal share by each of Mr. Sieh and Mr. Ho. As such, Mr. Sieh and Mr. Ho are deemed under the SFO to be interested in the 300,000,000 Shares collectively held through Good Hill.
3. Ms. Cao Hongmei is the spouse of Mr. Sieh. As such, she is deemed to be interested in the shares of the Company in which Mr. Sieh Shing Kee is interested under Part XV of the SFO.
4. Ms. Lee Kim Kum is the spouse of Mr. Ho. As such, she is deemed to be interested in the shares of the Company in which Mr. Ho Ka Ki is interested under Part XV of the SFO.
5. The letter "L" denotes the person's long position in the shares of the Company.

Save as disclosed above, as at 30 June 2025, the Directors have not been notified by any person who had interests or short positions in the Shares or underlying Shares or debentures of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.



# CORPORATE GOVERNANCE AND OTHER INFORMATION

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

## SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme (the **"Share Option Scheme"**) pursuant to the written resolutions of the sole shareholder passed on 25 November 2019. The condition of which has been fulfilled. The Share Option Scheme shall be valid and effective for the period of ten years commencing on 13 December 2019, being the date on which the Share Option Scheme was adopted upon fulfillment of the condition.

### The purpose of the Share Option Scheme

The Share Option Scheme is a share incentive scheme and is established to enable the Company to grant options to the Eligible Participants (as defined below) as incentives or rewards for their contribution to the Group.

### The participants of the Share Option Scheme

Under the Share Option Scheme, the Board may, at its discretion, make an offer to any person belonging to the following classes of participants (the **"Eligible Participants"**) share options to subscribe for shares of the Company:

- (i) any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any subsidiary or any entity in which any member of the Group holds any equity interest (the **"Invested Entity"**);
- (ii) any non-executive director (including independent non-executive directors) of the Company, any subsidiary or any Invested Entity;
- (iii) any supplier of goods or services to any member of the Group or any Invested Entity;
- (iv) any customer of any member of the Group or any Invested Entity;

## CORPORATE GOVERNANCE AND OTHER INFORMATION

- (v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and
- (viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group;

for the purposes of the Share Option Scheme, the offer may be made to any company wholly owned by one or more Eligible Participants.

### **The total number of Shares available for issue under the Share Option Scheme**

The total number of shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue at the time dealings in the shares first commence on the Stock Exchange, i.e. 40,000,000 Shares (i.e. 10% of the total shares in issue at the date of this report).

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## **The maximum entitlement of each participant under the Share Option Scheme**

Subject to certain circumstances relating to the grant of options to a substantial shareholder, an independent non-executive director or any of their respective associates, the total number of Shares issued which may fall to be issued upon exercise of the options and the options granted under any other share option scheme of the Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of options to a grantee under the Share Option Scheme would result in the Shares allotted and issued and to be allotted and issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such grantee and his close associates (or his associates if such grantee is a connected person (as defined in the Listing Rules)) abstaining from voting.

## **The period within which the Shares must be taken up under an option**

The period during which a share option may be exercised will be determined by the Board at its absolute discretion, save that no share option may be exercised more than 10 years after it has been granted under the Share Option Scheme.

## **The minimum period for which an option must be held before it can be exercised**

Unless otherwise determined by the Directors and stated in the offer to a grantee, a grantee is not required to hold an option for any minimum period nor achieve any performance targets before the exercise of an option granted to him.

## **The amount, if any, payable on application or acceptance of option and the period within which payments or calls must or may be made or loans for such purposes must be repaid**

An offer shall have been accepted by an Eligible Participant with a remittance in favour of the Company of HK\$1 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from the offer date).

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## The basis of determining the exercise price

The subscription price in respect of any option shall be at the discretion of the Directors, provided that it shall not be less than the highest of:

- (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the offer date;
- (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the offer date; and
- (c) the nominal value of the Share.

No share option has been granted under the Share Option Scheme since its adoption. Accordingly, as at the date of this report, there was no share option outstanding under the Share Option Scheme.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by Directors. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings set out in the Model Code regarding securities transactions during the six months ended 30 June 2025.

The Board has also adopted the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of the Corporate Governance Code (the "**CG Code**"). No incident of non-compliance with the Model Code by the Company's relevant employees was identified during the six months ended 30 June 2025 after making reasonable enquiry.

## COMPETING BUSINESS

The Directors confirm that none of the Controlling Shareholders or the Directors and their respective close associates (as defined in the Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group's business from the Listing Date to the date of this report.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had 180 employees (31 December 2024: 150 employees) excluding the Directors.

Total staff costs excluding Directors' remuneration amounted to approximately HK\$26.2 million for the six months ended 30 June 2025 (30 June 2024: HK\$20.1 million). The remuneration packages the Group offers to its employees include salary and discretionary bonuses. The Group's remuneration policies are in line with the prevailing market practices and the staff remuneration is determined on the basis of the performance and experience of each individual employee.

## CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Group has adopted the principles and code provisions as set out in the CG Code contained in the Appendix C1 of the Listing Rules as the basis of the Group's corporate governance practices.

The CG Code has been applicable to the Group with effect from the Listing Date. The Board is of the view that up to the date of this report, the Group has complied with all applicable code provisions as set out in the CG Code.

## AUDIT COMMITTEE

The Company established an audit committee (the **"Audit Committee"**) in compliance with Rule 3.21 to 3.24 of the Listing Rules. All written terms of reference are complied with paragraph D.3.3 of the principles and code provisions as set out in the corporate governance contained in the CG Code. Audit Committee consists of four members, namely, Mr. Tso Ping Cheong Brian, Ms. Chiao Siu Ling, Mr. Kwong Che Sing and Mr. Ling Siu Tsang. Mr. Tso Ping Cheong Brian is the chairman of Audit Committee and he is a certified public accountant with more than 21 years of experience in professional accounting. Accordingly, the Company has fully complied with Rule 3.10(2) of the Listing Rules.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

This report and the unaudited condensed consolidated interim financial statements have not been audited by the Company's external auditor, but have been reviewed by the Audit Committee of the Company and opined that the applicable accounting standard and requirements have been complied with and adequate disclosures have been made.

## INTERIM DIVIDEND

The board of directors does not recommend the payment of an interim dividend for the period ended 30 June 2025 (six months ended 30 June 2024: HK\$Nil).

In the meeting of the board of directors held on 19 January 2024, the board proposed a special dividend of HK17.5 cents per ordinary share, totalling HK\$70,000,000. The proposal was approved by shareholders of the Company in the extraordinary general meeting held on 2 February 2024 and the special dividend was paid on 16 February 2024.

## EVENTS AFTER THE END OF REPORTING PERIOD

On 9 June 2025, the Group has established a PRC Subsidiary for potential future participation in the industrial park management sector in the PRC, with a particular focus on Ganzhou City, Jiangxi Province. However, following a series of commercial negotiations with relevant industry participants and after a careful and holistic assessment of the prevailing business environment, potential return profile, and associated operational risks, the management has concluded that the risk-return dynamic and market conditions for developing such business in the PRC are not yet optimal. While the project held initial strategic appeal, the Group believes it is in the best interest of its shareholders to remain focused on its core business strengths and to maintain operational agility.

As such, the Group has resolved not to proceed with the proposed expansion into the PRC management services sector at this stage. In light of the foregoing strategic decision and taking into account the Group's current financial position and working capital needs, the Group has, after amicable negotiations with the Subscribers, reached an agreement to fully redeem the Bond in cash and settled in full, without any accrued interest on 25 July 2025.

Upon completion of the redemption, all obligations and liabilities of Kinglink Capital and the Subscribers have been fully discharged and terminated. The Group considers the conclusion of this transaction to be an appropriate and timely step to streamline its capital structure and preserve financial flexibility for future strategic development.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

Apart from the above, there are no significant events affecting the Group after 30 June 2025 up to the date of this report.

By order of the Board  
**Maxicity Holdings Limited**  
**Mr. Sieh Shing Kee**  
*Chairman*

Hong Kong, 27 August 2025