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## **CR Construction Group Holdings Limited**

**華營建築集團控股有限公司**

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

**(Stock code: 1582)**

### **ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024**

#### **FINANCIAL HIGHLIGHTS**

The total revenue of the Group for the six months ended 30 June 2024 decreased to approximately HK\$2,773.2 million as compared to that of approximately HK\$2,832.1 million for the six months ended 30 June 2023.

The total gross profit of the Group increased to approximately HK\$188.1 million for the six months ended 30 June 2024 as compared to that of approximately HK\$150.5 million for the six months ended 30 June 2023.

Profit attributable to owners of the Company for the six months ended 30 June 2024 amounted to approximately HK\$35.8 million as compared to that of approximately HK\$45.5 million for the six months ended 30 June 2023.

The Board has resolved to declare the payment of an interim dividend of HK1.5 cents per share to shareholders whose names appear on the register of members of the Company on Monday, 9 September 2024 and such interim dividend will not be subject to any withholding tax in Hong Kong.

The board (the “**Board**”) of directors (the “**Directors**”) of CR Construction Group Holdings Limited (the “**Company**”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”), together with the comparative figures for the six months ended 30 June 2023, as follows:

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the six months ended 30 June 2024*

		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
REVENUE	4	<b>2,773,188</b>	2,832,073
Contract costs		<b>(2,585,126)</b>	(2,681,593)
Gross profit		<b>188,062</b>	150,480
Other income	4	<b>6,951</b>	2,235
Administrative expenses		<b>(98,612)</b>	(80,890)
Other operating income/(expenses), net		<b>(16,855)</b>	2,102
Finance costs	6	<b>(29,677)</b>	(19,109)
PROFIT BEFORE TAX	5	<b>49,869</b>	54,818
Income tax expense	7	<b>(13,649)</b>	(8,864)
PROFIT FOR THE PERIOD		<b>36,220</b>	45,954
Attributable to:			
Owners of the Company		<b>35,845</b>	45,457
Non-controlling interests		<b>375</b>	497
		<b>36,220</b>	45,954
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	9	<b>HK7.17 cents</b>	HK9.09 cents

# **INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the six months ended 30 June 2024*

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
PROFIT FOR THE PERIOD	<b>36,220</b>	<b>45,954</b>
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<b>(10,418)</b>	<b>(18,465)</b>
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	<b>(10,418)</b>	<b>(18,465)</b>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<b>25,802</b>	<b>27,489</b>
Attributable to:		
Owners of the Company	<b>25,538</b>	<b>27,489</b>
Non-controlling interests	<b>264</b>	<b>—</b>
	<b>25,802</b>	<b>27,489</b>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

		30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
	Notes		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		24,022	27,031
Right-of-use assets		31,335	37,348
Operating concession rights		32,063	32,980
Receivables and contract assets under service concession arrangements		248,000	240,471
Other intangible assets		390	291
Prepayments and deposits		8,013	8,165
Deferred tax assets		7,129	7,407
Total non-current assets		350,952	353,693
<b>CURRENT ASSETS</b>			
Receivables and contract assets under service concession arrangements		6,920	7,098
Contract assets		2,792,231	2,564,727
Trade receivables	10	527,885	816,354
Prepayments, deposits and other receivables		88,925	99,754
Amounts due from an intermediate holding company		6,696	6,744
Amounts due from fellow subsidiaries		35,586	45,288
Tax recoverable		2,046	1,726
Cash and cash equivalents		427,626	235,971
Total current assets		3,887,915	3,777,662
<b>CURRENT LIABILITIES</b>			
Trade and retention payables	11	1,627,159	1,534,292
Other payables, accruals and provision		1,183,965	1,192,425
Dividend payable		9,000	—
Interest-bearing bank borrowings	12	398,824	344,984
Amounts due to an intermediate holding company		4,055	9,143
Amounts due to fellow subsidiaries		10,438	15,824
Loans from an intermediate holding company		117,884	274,143
Loan from a fellow subsidiary		78,087	—
Lease liabilities		23,050	21,856
Tax payable		24,052	10,534
Total current liabilities		3,476,514	3,403,201
<b>NET CURRENT ASSETS</b>		411,401	374,461
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		762,353	728,154

		<b>30 June 2024 (Unaudited) HK\$'000</b>	<b>31 December 2023 (Audited) HK\$'000</b>
	<i>Notes</i>		
<b>NON-CURRENT LIABILITIES</b>			
Provision		<b>5,700</b>	5,700
Lease liabilities		<b>9,682</b>	16,043
Interest-bearing bank borrowings	<i>12</i>	<b>94,680</b>	70,599
Deferred tax liabilities		<b>640</b>	963
		<hr/>	<hr/>
Total non-current liabilities		<b>110,702</b>	93,305
		<hr/>	<hr/>
Net assets		<b>651,651</b>	634,849
		<hr/>	<hr/>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	<i>13</i>	<b>5,000</b>	5,000
Reserves		<b>630,926</b>	614,388
		<hr/>	<hr/>
		<b>635,926</b>	619,388
Non-controlling interests		<b>15,725</b>	15,461
		<hr/>	<hr/>
Total equity		<b>651,651</b>	634,849
		<hr/>	<hr/>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 1. CORPORATE AND GROUP INFORMATION

CR Construction Group Holdings Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit Nos. 3-16, Level 32, Standard Chartered Tower of Millennium City 1, No. 388 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of Company and its subsidiaries (collectively referred to as the “**Group**”) are the construction operations which comprised of the provision of building construction works and repair, maintenance, addition and alteration (“**RMAA**”) works in Hong Kong, Malaysia and the United Kingdom and the environmental operations in the People’s Republic of China (the “**PRC**”).

CR Construction Investments Limited (“**CR Investments**”), a company incorporated in the British Virgin Islands (the “**BVI**”), is the immediate holding company of the Company. In the opinion of the Directors, Zhejiang State-owned Capital Operation Company Limited, a company established in the PRC, is the ultimate holding company of the Company.

## 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 is unaudited and has been prepared in accordance with Hong Kong Accounting Standards (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

The unaudited interim condensed consolidated financial information has been prepared under the historical cost convention and is presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendment to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The adoption of the above revised standards has had no significant financial effect on the Group's unaudited interim condensed consolidated financial information.

## 3. OPERATING SEGMENT INFORMATION

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

- (i) The construction operations segment engages in contract works as a main contractor primarily in respect of building construction works and RMAA works in Hong Kong, Malaysia and the United Kingdom.
- (ii) The environmental operations segment engages in construction, rehabilitation and operation of sewage and reclaimed water treatment plants as well as water distribution plants and other environmental related facilities and infrastructure in the PRC.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss is measured consistently with the Group's profit before tax except that interest income, corporate and other unallocated expenses, finance costs (other than interest on lease liabilities and discounted amounts of retention payables arising from the passage of time) are excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable and balances with related parties as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities, dividend payable, balances/loans with related parties, tax payable and interest-bearing bank borrowings as these liabilities are managed on a group basis.

There were no material intersegmental sales and transfers during the period.

	<u>Construction operations</u>		<u>Environmental operations</u>		<u>Total</u>	
	<u>Six months ended 30 June</u>		<u>Six months ended 30 June</u>		<u>Six months ended 30 June</u>	
	<b>2024</b>	2023	<b>2024</b>	2023	<b>2024</b>	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment revenue (note 4)</b>						
Sales to external customers	<u>2,704,868</u>	<u>2,717,304</u>	<u>68,320</u>	<u>114,769</u>	<u>2,773,188</u>	<u>2,832,073</u>
<b>Segment result</b>	<b>65,794</b>	70,918	<b>8,056</b>	11,600	<b>73,850</b>	82,518
<u>Reconciliation:</u>						
Interest income					<b>754</b>	1,333
Corporate and other unallocated expenses					<b>(5,626)</b>	(13,715)
Finance costs (other than interest on lease liabilities and discounted amounts of retention payables arising from passage of time)					<u><b>(19,109)</b></u>	<u>(15,318)</u>
Profit before tax					<b>49,869</b>	54,818
Income tax expense					<u><b>(13,649)</b></u>	<u>(8,864)</u>
Profit for the period					<u><b>36,220</b></u>	<u>45,954</u>



The following table presents the asset and liability information of the Group's operating segments as at 30 June 2024 and 31 December 2023:

	Construction operations		Environmental operations		Total	
	30 June	31 December	30 June	31 December	30 June	31 December
	2024	2023	2024	2023	2024	2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment assets</b>	<b>3,665,892</b>	3,576,967	<b>521,518</b>	493,223	<b>4,187,410</b>	4,070,190
<u>Reconciliation:</u>						
Amounts due from an intermediate holding company					6,696	6,744
Amounts due from fellow subsidiaries					35,586	45,288
Tax recoverable					2,046	1,726
Deferred tax assets					7,129	7,407
Total assets					<u>4,238,867</u>	<u>4,131,355</u>
<b>Segment liabilities</b>	<b>2,684,794</b>	2,598,618	<b>164,762</b>	171,698	<b>2,849,556</b>	2,770,316
<u>Reconciliation:</u>						
Dividend payable					9,000	–
Amounts due to an intermediate holding company					4,055	9,143
Amounts due to fellow subsidiaries					10,438	15,824
Loans from an intermediate holding company					117,884	274,143
Loan from a fellow subsidiary					78,087	–
Interest-bearing bank borrowings					493,504	415,583
Tax payable					24,052	10,534
Deferred tax liabilities					640	963
Total liabilities					<u>3,587,216</u>	<u>3,496,506</u>

#### 4. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<i>Revenue from contracts with customers</i>	<b>2,767,760</b>	2,828,163
<i>Revenue from other source</i>		
Finance income from service concession arrangements	<u>5,428</u>	<u>3,910</u>
Total	<u><b>2,773,188</b></u>	<u>2,832,073</u>

		Six months ended 30 June	
		2024	2023
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
<i>Disaggregated revenue information</i>			
(A)	<b>Types of goods or services</b>		
	<b><u>Construction operations segment</u></b>		
	Building construction works	2,414,268	2,455,898
	RMAA works	290,600	261,406
		<u>2,704,868</u>	<u>2,717,304</u>
	<b><u>Environmental operations segment</u></b>		
	Construction and rehabilitation services for environmental related facilities	16,648	72,867
	Sewage and reclaimed water treatment services	42,802	34,192
	Water distribution services	3,442	3,800
		<u>62,892</u>	<u>110,859</u>
	<i>Total revenue from contracts with customers</i>	<b>2,767,760</b>	2,828,163
	<i>Revenue from other sources</i>		
	Finance income from service concession arrangements	5,428	3,910
	Total revenue	<b><u>2,773,188</u></b>	<b><u>2,832,073</u></b>
(B)	<b>Geographical markets</b>		
	<b><u>Hong Kong</u></b>		
	Construction operations segment	2,329,939	2,381,555
	<b><u>Chinese Mainland</u></b>		
	Environmental operations segment	62,892	110,859
	<b><u>Malaysia</u></b>		
	Construction operations segment	53,935	91,321
	<b><u>United Kingdom</u></b>		
	Construction operations segment	320,994	244,428
	<i>Total revenue from contracts with customers</i>	<b>2,767,760</b>	2,828,163
	<i>Revenue from other sources</i>		
	Finance income from service concession arrangements	5,428	3,910
	Total revenue	<b><u>2,773,188</u></b>	<b><u>2,832,073</u></b>

		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<i>Disaggregated revenue information</i>			
<b>(C) Timing of revenue recognition</b>			
<b><u>Goods transferred at a point in time</u></b>			
Environmental operations segment		<b>3,442</b>	3,800
<b><u>Services transferred over time</u></b>			
Construction operations segment		<b>2,704,868</b>	2,717,304
Environmental operations segment		<b>59,450</b>	107,059
		<b>2,764,318</b>	2,824,363
<i>Total revenue with contracts with customers</i>		<b>2,767,760</b>	2,828,163
<i>Revenue from other sources</i>			
Finance income from service concession arrangements		<b>5,428</b>	3,910
Total revenue		<b>2,773,188</b>	2,832,073
		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b><u>Other income</u></b>			
Bank interest income		<b>754</b>	477
Interest income from a loan to a fellow subsidiary		–	856
Insurance compensation		<b>5,701</b>	–
Government grants ( <i>note</i> )		–	347
Others		<b>496</b>	555
		<b>6,951</b>	2,235

*Note:* Being subsidies for the incurred operating expenses arising from research and development activities provided by The People's Government of Zhejiang Province. There are no unfilled conditions or contingencies related to these subsidies.

## 5. PROFIT BEFORE TAX

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Contract costs	<b>2,585,126</b>	2,681,593
Depreciation of property, plant and equipment	<b>5,654</b>	4,711
Less: Amount included in contract costs	<b>(2,378)</b>	(1,285)
Amount included in administrative expenses	<b>3,276</b>	3,426
Depreciation of right-of-use assets	<b>11,858</b>	11,099
Less: Amount included in contract costs	<b>(3,743)</b>	(3,370)
Amount included in administrative expenses	<b>8,115</b>	7,729
Amortisation of operating concession rights included in contract costs	<b>687</b>	702
Amortisation of other intangible assets	<b>24</b>	72
Less: Amount included in contract costs	<b>(24)</b>	(32)
Amount included in administrative expenses	<b>–</b>	40
Lease payments not included in the measurement of lease liabilities	<b>41,466</b>	28,505
Less: Amount included in contract costs	<b>(40,920)</b>	(28,193)
Amount included in administrative expenses	<b>546</b>	312
Employee benefit expense (including directors' remuneration):		
Salaries, allowances and benefits in kind	<b>257,585</b>	207,309
Pension scheme contributions	<b>12,286</b>	11,453
	<b>269,871</b>	218,762
Less: Amount included in contract costs	<b>(215,057)</b>	(169,267)
Amount included in administrative expenses	<b>54,814</b>	49,495

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Auditor's remuneration	<b>3,027</b>	3,614
Impairment/(reversal of impairment) of trade receivables*	<b>17,126</b>	(686)
Impairment/(reversal of impairment) of contract assets*	<b>541</b>	(983)
Impairment of receivables and contract assets under service concession arrangements*	<b>31</b>	15
Gain on disposal of items of property, plant and equipment*	–	(640)
Provision for rectification works and claims**	–	38,804
Foreign exchange differences, net*	<b>(933)</b>	(93)
Research and development expenses***	<b>11,644</b>	4,002

\* These items are included in “Other operating income/(expenses), net” on the face of the interim condensed consolidated statement of profit or loss.

\*\* The provision for rectification works and claims is included in “Contract costs” on the face of the interim condensed consolidated statement of profit or loss are for the rectification works and claims in relation to the fire accident which broke out on 2 March 2023 at the construction site for the Main Contract Works for the Proposed Redevelopment of the Mariners' Club on 11 Middle Road, Tsim Sha Tsui, Hong Kong. The amount of provision was estimated by management and is reviewed on an ongoing basis and revised where appropriate.

\*\*\* Research and development expenses are included in “Administrative expenses” on the face of the interim condensed consolidated statement of profit or loss.

## 6. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest on bank loans	<b>17,161</b>	10,865
Interest on loans from a intermediate holding company	<b>1,894</b>	4,453
Interest on a loan from a fellow subsidiary	<b>54</b>	–
Interest on discounted amounts of retention payables arising from the passage of time	<b>9,988</b>	3,208
Interest on lease liabilities	<b>580</b>	583
Total	<b>29,677</b>	19,109

## 7. INCOME TAX

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. Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits of this subsidiary is taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	Six months ended 30 June	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Current – Hong Kong		
Charge for the period	12,555	13,169
Current – Elsewhere	1,332	3,033
Deferred	(238)	(7,338)
	<hr/>	<hr/>
Total tax charge for the period	<u>13,649</u>	<u>8,864</u>

## 8. DIVIDEND

The final dividend of HK1.8 cents (for the year ended 31 December 2022: HK1.8 cents) per ordinary share, in an aggregate amount of HK\$9,000,000 for the year ended 31 December 2023 (for the year ended 31 December 2022: HK\$9,000,000), was approved by the Company's shareholders at the annual general meeting of the Company held on 21 June 2024 and paid on 26 July 2024.

On 22 August 2024, the board of directors declared an interim dividend of HK1.5 cents (six months ended 30 June 2023: HK1.5 cents) per ordinary share, in an aggregate amount of HK\$7,500,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: HK\$7,500,000).

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

The calculation of basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company of HK\$35,845,000 (2023: HK\$45,457,000), and the weighted average number of ordinary shares of 500,000,000 (2023: 500,000,000) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2024 and 30 June 2023.

## 10. TRADE RECEIVABLES

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Trade receivables	561,043	832,747
Impairment	(33,158)	(16,393)
Net carrying amount	<u>527,885</u>	<u>816,354</u>

The Group's trading terms with its customers are on credit. The Group's credit period with customers range from 14 to 180 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Within 1 month	276,910	527,255
1 to 2 months	20,926	87,964
2 to 3 months	7,700	30,569
3 to 12 months	139,025	110,944
1 to 2 years	68,675	59,359
Over 2 years	14,649	263
Total	<u>527,885</u>	<u>816,354</u>

## 11. TRADE AND RETENTION PAYABLES

		<b>30 June 2024 (Unaudited) HK\$'000</b>	<b>31 December 2023 (Audited) HK\$'000</b>
	<i>Notes</i>		
Trade payables	(a)	<b>978,900</b>	848,529
Retention payables	(b)	<b>648,259</b>	685,763
Total		<b>1,627,159</b>	1,534,292

*Notes:*

- (a) An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 June 2024 (Unaudited) HK\$'000</b>	<b>31 December 2023 (Audited) HK\$'000</b>
Within 1 month	<b>32,279</b>	15,181
1 to 2 months	<b>83,038</b>	110,293
2 to 3 months	<b>221,633</b>	176,712
Over 3 months	<b>641,950</b>	546,343
Total	<b>978,900</b>	848,529

The average credit period on trade payables is 30 to 180 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time-frame.

- (b) Retention payables held by the Group arose from the Group's building construction works and RMAA works and are normally settled to subcontractors within a period ranging from one year to two years after the completion of the contract work by the subcontractors, as stipulated in the subcontracting contracts.



## 12. INTEREST-BEARING BANK BORROWINGS

	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Contractual interest rate (%)	Maturity	HK\$'000	Contractual interest rate (%)	Maturity	HK\$'000
<b>Current</b>						
Bank loans – unsecured	–	–	–	HIBOR+ 1.4% – 1.6%	On demand	210,000
Bank loans – unsecured	Hong Kong Interbank Offered Rate ("HIBOR") +1.1%	2024	270,000	–	–	–
Bank loans – secured	3.9%	2024	124,988	3.9%	2024	132,420
Bank loans – secured	China Loan Prime Rate ("LPR") –0.5%	2025	1,645	LPR- 0.5%	2024	357
Bank loans – secured	LPR	2025	<u>2,191</u>	LPR	2024	<u>2,207</u>
Total – current			<u>398,824</u>			<u>344,984</u>
<b>Non-current</b>						
Bank loans – secured	LPR- 0.5%	2026-2035	73,533	LPR- 0.5%	2025-2034	48,198
Bank loans – secured	LPR	2026-2034	<u>21,147</u>	LPR	2025-2034	<u>22,401</u>
Total – non-current			<u>94,680</u>			<u>70,599</u>
<b>Total</b>			<u><u>493,504</u></u>			<u><u>415,583</u></u>

	<b>30 June 2024 (Unaudited) HK\$'000</b>	<b>31 December 2023 (Audited) HK\$'000</b>
Analysed into:		
Bank loans repayable:		
Within one year or on demand	<b>398,824</b>	344,984
In the second year	<b>7,120</b>	5,163
In the third to fifth years, inclusive	<b>28,219</b>	24,565
Beyond five years	<b>59,341</b>	40,871
	<hr/>	<hr/>
Total	<b>493,504</b>	415,583
	<hr/> <hr/>	<hr/> <hr/>

### **13. SHARE CAPITAL**

	<b>30 June 2024 (Unaudited) HK\$'000</b>	<b>31 December 2023 (Audited) HK\$'000</b>
Authorised:		
10,000,000,000 ordinary shares of HK\$0.01 each	<b>100,000</b>	100,000
	<hr/> <hr/>	<hr/> <hr/>
Issued and fully paid:		
500,000,000 ordinary shares of HK\$0.01 each	<b>5,000</b>	5,000
	<hr/> <hr/>	<hr/> <hr/>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### *Construction Operations*

The Group is one of the leading building contractors in Hong Kong and principally acts as a main contractor in building construction works and repair, maintenance, alteration and addition (“**RMAA**”) works across the public and private sectors in Hong Kong, Malaysia and the United Kingdom.

The building construction services provided by the Group primarily consist of building works for new buildings, including residential, commercial and industrial buildings, while the Group’s RMAA works include the general upkeep, maintenance, improvement, refurbishment, alteration and addition of existing facilities and components of buildings and their surroundings.

As at 30 June 2024, the Group had 47 projects on hand with an aggregate original contract sum of approximately HK\$28.5 billion, which includes projects in progress and projects that have been awarded to the Group but not yet commenced.

During the Reporting Period, the Group had been awarded 9 new projects with an aggregate original contract sum of approximately HK\$4.1 billion and had completed 6 projects with original contract sum of approximately HK\$3.1 billion.

During the Reporting Period, the Group received a total of 25 honors, including, but not limited to, the “Top 10 Construction Contractors in Hong Kong” award by BCI Asia for the third consecutive year. The Group also received two awards from the Hong Kong Quality Assurance Agency, namely the “Outstanding Award for Contribution to Livable City Construction (Contractor) – Promoting High-productivity Construction Adoption” and the “Outstanding Award for Excellent Contribution to Livable City Construction (Contractor) – Promoting Eco-friendly Construction”. During the Reporting Period, the Group has appeared in 78 articles by media platforms at provincial level and above, namely the Hong Kong Economic Times, Ta Kung Pao and Ming Pao.

#### *Environmental Operations*

The environmental services provided by the Zhejiang Construction Investment Environment Engineering Company Limited (the “**ZCIEE**”), primarily consist of the environmental works for the construction, restoration, and operation of wastewater and recycled water treatment plants, water distribution plants and other environmental facilities and infrastructure, as well as architectural services related to environmental improvement in the PRC.

As at 30 June 2024, the Group had 3 projects with an aggregate original contract sum of approximately HK\$6.9 million and 19 projects relating to service concession arrangements and operation services.

During the Reporting Period, the ZCIEE was awarded a tender for the main contract for wastewater treatment facilities in rural areas in Kunshan city of Jiangsu Province, which was the first similar out-of-province project. Additionally, The ZCIEE has pushed forward its transformation and upgrading, and has signed a strategic cooperation agreement with Shanghai Meikesheng Energy Technology Company Limited, one of the leading company in the industry, to actively explore further business opportunities.

During the Reporting Period, the ZCIEE has been recognised as a provincial level “Specialized and New” SMEs of Zhejiang Province in 2024 by the Department of Economy and Information Technology of Zhejiang Province, signified that the ZCIEE are advanced and exemplary in terms of technology, market, quality and efficiency. During the Reporting Period, the ZCIEE has appeared in different media platforms at provincial level and above, namely the QQ News, Construction Times and Tide News.

## **THE PROSPECTS**

During the Reporting Period, the global and Hong Kong economies were in a phase of recovery, and the global and Hong Kong economies continued to develop steadily, and the progress of construction bidding also remained stable.

Subsequent to 30 June 2024, the Group has been further awarded 1 new project relating to building construction works with original contract sum of approximately HK\$2.1 billion.

The Group has also attached great emphasis to technological innovation, enhancing its core competitiveness in the construction industry, and actively utilises digital technology to improve work efficiency and site safety. The total expenditure for the research and development is approximately HK\$11.6 million during the Reporting Period.

During the Reporting Period, our self-developed “4S Smart Construction Safety System” has successfully obtained the ISO 27001 Certification for Information Security Management System, becoming the first company in Hong Kong to achieve this certification for a smart construction safety system.

The system encompasses various functions, including a Centralised Management Platform, Digitised Tracking System for Site Plants, Powered Tools and Ladders, Digitalised Permit-to-work System for High Risk Activities, Hazardous Areas Access Control by Electronic Lock and Key System, Unsafe Acts or Dangerous Situation Alert System for Mobile Plant Operation Danger Zone and Tower Crane Lift Zone, Smart Monitoring Devices for Workers and Frontline Site Personnel, Safety Monitoring System Using Artificial Intelligence, Confined Spaces Monitoring System and Safety Training with Virtual Reality Technology (“**VR safety training system**”). The VR safety training system has incorporated virtual reality technology and offered various simulated training scenarios, including lifting safety, confined spaces, and erection and dismantling of bamboo scaffolding. Relevant workers can engage in simulated operations, practice, and examinations in a safe environment. The assessment results are then uploaded to the Centralised Management Platform for review by managerial staff, enhancing workers’ safety awareness and skills.

In addition, our environmental company has successfully developed an integrated rural domestic sewage treatment equipment, which has passed the performance test by a third-party testing institution. The five indicators, including pH value, chemical oxygen demand, suspended solids, ammonia nitrogen, and total phosphorus of the treated water, all meet the Grade 1 standard of DB33/973-2021 Table 1. Therefore, in line with the digitalisation trend in the construction industry and the government’s policy on Smart Site, our Group will enhance technology research and development, and is committed to introducing various innovative technology tools in various projects to enhance management efficiency and construction safety.

In the second half of 2024, Hong Kong’s economic activities are expected to continue steady development, while cost pressure is expected to rise with increasing construction volume. The government’s previous introduced labour importation schemes in the construction industry, with the completion of more dormitories and support measures, we expect to further reduce hiring costs and help alleviate some challenges related to technical talent shortages. The government recently announced that the Land (Compulsory Sale for Redevelopment) (Amendment) Bill 2023 is expected to come into effect by the end of this year. After the implementation of the new legislation, which lowers the compulsory sale application thresholds, it is believed that it could facilitate the redevelopment of large-scale projects. We expect that this measure will have a positive impact on the Group’s business.

Our Group will continue to work hard to find new potential construction business opportunities to achieve Group’s profit growth. At the same time, leveraging our experience in the industry, our Group is keen to explore suitable business opportunities in construction and environmental industries and other areas both domestic and overseas.

## **FINANCIAL REVIEW**

### **Revenue**

The total revenue of the Group decreased by approximately HK\$58.9 million or approximately 2.1% from approximately HK\$2,832.1 million for the six months ended 30 June 2023 to approximately HK\$2,773.2 million for the six months ended 30 June 2024.

#### *Construction Operations*

##### *Building Construction Works*

The revenue generated from the building construction works decreased by approximately HK\$41.6 million or approximately 1.7% from approximately HK\$2,455.9 million for the six months ended 30 June 2023 to approximately HK\$2,414.3 million for the six months ended 30 June 2024. The decrease in revenue was attributable to the decrease in revenue generated from new projects and existing projects to the Group during the Reporting Period.

##### *RMAA Works*

The revenue generated from the RMAA works increased by approximately HK\$29.2 million or approximately 11.2% from approximately HK\$261.4 million for the six months ended 30 June 2023 to approximately HK\$290.6 million for the six months ended 30 June 2024. The increase was mainly attributable to increase in revenue generated from new projects during the Reporting Period.

##### *Environmental Operations*

The revenue generated from the environmental operations decreased by approximately HK\$46.5 million or approximately 40.5% from approximately HK\$114.8 million for the six months ended 30 June 2023 to approximately HK\$68.3 million for the six months ended 30 June 2024. The decrease was mainly attributable to decrease in revenue from new and existing projects from construction and rehabilitation services during the Reporting Period.

### **Contract Costs**

The Group's contract costs primarily consisted of subcontracting costs, material costs, direct staff costs and site overheads. The contract costs of the Group decreased by approximately HK\$96.5 million or approximately 3.6% from approximately HK\$2,681.6 million for the six months ended 30 June 2023 to approximately HK\$2,585.1 million for the six months ended 30 June 2024. Such decrease was attributable to the decrease in subcontracting costs, material costs and direct staff costs for new projects and existing projects during the Reporting Period.

## **Gross Profit and Gross Profit Margin**

The gross profit of the Group increased from approximately HK\$150.5 million for the six months ended 30 June 2023 to approximately HK\$188.1 million for the six months ended 30 June 2024. The Group's gross profit margin was approximately 6.8% and 5.3% for the six months ended 30 June 2024 and 2023, respectively. The gross profit margin of the Group increased by approximately 1.5% by comparing the six months ended 30 June 2024 against the six months ended 30 June 2023.

### *Construction Operations*

#### *Building Construction Works*

The gross profit of building construction works was approximately HK\$126.7 million for the six months ended 30 June 2024, representing a decrease of approximately HK\$3.9 million from approximately HK\$130.6 million for the six months ended 30 June 2023. The gross profit margin decreased slightly from approximately 5.3% for the six months ended 30 June 2023 to approximately 5.2% for the six months ended 30 June 2024. The decrease in gross profit and gross profit margin was mainly due to additional cost incurred for variation orders for projects during the Reporting Period, while the respective revenue is expected to be recognised at a later stage.

#### *RMAA Works*

The gross profit of RMAA works was approximately HK\$43.2 million for the six months ended 30 June 2024, representing an increase of approximately HK\$44.6 million from the gross loss of approximately HK\$1.4 million for the six months ended 30 June 2023. The gross profit margin increased by approximately 15.4% from approximately loss of 0.5% for the six months ended 30 June 2023 to approximately 14.9% for the six months ended 30 June 2024. The increase in the gross profit and gross profit margin for the six months ended 30 June 2024 was mainly due to additional cost incurred for variation orders for a project during the prior period, while the respective revenue were only certified during the Reporting Period.

### *Environmental Operations*

The gross profit of environmental operations was approximately HK\$18.2 million for the six months ended 30 June 2024, representing a decrease of approximately HK\$3.1 million from the gross profit of approximately HK\$21.3 million for the six months ended 30 June 2023. The gross profit margin increased by approximately 8.1% from approximately 18.5% for the six months ended 30 June 2023 to approximately 26.6% for the six months ended 30 June 2024. The decrease in the gross profit and increase in gross profit margin for the six months ended 30 June 2024 was mainly due to decrease in revenue from construction and rehabilitation services which contributed lower gross profit margin during the Reporting Period.

**Other Income**

The other income of the Group increased by approximately HK\$4.8 million, from approximately HK\$2.2 million for the six months ended 30 June 2023 to approximately HK\$7.0 million for the six months ended 30 June 2024. The increase was mainly attributable to the receipt of insurance compensation as a result of the fire accident which was partially offset by absence of government grants received during the Reporting Period.

**Administrative Expenses**

Administrative expenses of the Group increased from approximately HK\$80.9 million for the six months ended 30 June 2023 to approximately HK\$98.6 million for the six months ended 30 June 2024. Such increase was mainly due to the increase in staff costs, bank charges and research and development expense during the Reporting Period.

**Other Operating Income/(Expenses), net**

The other operating expenses of the Group increased by approximately HK\$19.0 million, from approximately income of HK\$2.1 million for the six months ended 30 June 2023 to approximately expense of HK\$16.9 million for the six months ended 30 June 2024. The increase was primarily due to the expected credit losses provision on receivable assets according to HKFRS 9 of HK\$17.7 million during the Reporting Period while reversal of provision of HK\$1.7 million was made in last period.

**Finance Costs**

The finance costs of the Group increased by approximately HK\$10.6 million, from approximately HK\$19.1 million for the six months ended 30 June 2023 to approximately HK\$29.7 million for the six months ended 30 June 2024. The increase was mainly due to the increase in the Hong Kong Interbank Offered Rate (HIBOR) on bank loans which was partially offset by repayment of borrowings from an intermediate holding company and a fellow subsidiary during the Reporting Period.

**Income Tax Expenses**

The income tax expenses increased by approximately HK\$4.7 million, from approximately HK\$8.9 million for the six months ended 30 June 2023 to approximately HK\$13.6 million for the six months ended 30 June 2024. The increase was mainly due to increase in non-deductible expenses during the Reporting Period. The effective tax rate were approximately 27.4% and 16.2% for the six months ended 30 June 2024 and 2023, respectively.



## **Net Profit and Adjusted Net Profit**

The net profit of the Group decreased by approximately HK\$9.8 million, or approximately 21.3%, from approximately HK\$46.0 million for the six months ended 30 June 2023 to approximately HK\$36.2 million for the six months ended 30 June 2024. The net profit margin for the six months ended 30 June 2024 and 2023 were approximately 1.3% and 1.6%, respectively.

## **EMPLOYEES AND REMUNERATION POLICIES**

The Group had a total of 967 employees as at 30 June 2024 (30 June 2023: 892). Total staff costs of the Group (excluding the Directors' remuneration) for the six months ended 30 June 2024 were approximately HK\$265.8 million (six months ended 30 June 2023: approximately HK\$213.7 million). The Group's remuneration policies were in line with relevant legislation, market conditions and the performance of our employees. The salary and benefit level of the employees of the Group are competitive and individual performance is rewarded through the Group's salary, bonus and other cash subsidies system. The Group conducts review on salary adjustment, discretionary bonuses and promotions based on the performance of each employee twice a year. The emoluments of the Directors and the senior management are decided by the Board with reference to the recommendation from the remuneration committee of the Company, having considered factors such as the Group's financial performance and the individual performance of the Directors, etc.

The Company provides introductory training at the time when members of our staff first join us and thereafter regular on-the-job training, depending on the staff's role. In addition, it is our policy to provide training to our staff on an as-needed basis to enhance their technical and industry knowledge. During the Reporting Period, the Group has not experienced any significant problems with its employees due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff.

The Company has adopted a share option scheme (the "**Share Option Scheme**") as an incentive to the Directors and eligible employees. No share option has been granted, exercised, expired or lapsed under the Share Option Scheme since its adoption and up to the date of this report. The Company may grant options in respect of up to 50,000,000 Shares (or such numbers of Shares as shall result from a sub-division or a consolidation of such 50,000,000 Shares from time to time) to the participants under the Share Option Scheme. The total number of Shares issued and to be issued upon exercise of options granted to any participants (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of our Company in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue.

## **CAPITAL EXPENDITURE**

During the Reporting Period, the Group invested approximately HK\$2.8 million (2023: approximately HK\$6.1 million) on the acquisition of property, plant and equipment and other intangible assets. Capital expenditure was principally funded by internal resources.

## **CAPITAL COMMITMENTS**

The Group had capital commitments of approximately HK\$11.5 million as at 30 June 2024 (31 December 2023: HK\$16.2 million).

## **CONTINGENT LIABILITIES**

Save as disclosed below, the Group had no other contingent liabilities as at 30 June 2024:

- (a) As at 30 June 2024, performance bonds of approximately HK\$2,187.1 million (31 December 2023: approximately HK\$1,800.1 million) were given by banks in favour of the Group's customers as security for the due performance and observance of the Group's obligation under the contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the banks to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate such banks accordingly. The performance bonds will be released upon completion of the contract work.

At the end of the Reporting Period, the Directors do not consider it is probable that such claim will be made against the Group.

- (b) In the ordinary course of the Group's construction business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or of the Group's subcontractors in accidents arising out of and in the course of their employment. At the end of the Reporting Period, the Directors are of the opinion that such claims are well covered by insurance and would not result in any material adverse impact on the financial position or results and operations of the Group.

## **FOREIGN EXCHANGE EXPOSURE**

The Group operates in the PRC, Hong Kong, Malaysia and the United Kingdom and most of the transactions denominated in Renminbi, Hong Kong Dollar, Malaysian ringgit and Great British Pound. The Group currently does not have a foreign currency hedging policy. However, the Board closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should that need arise.

## **GEARING RATIO**

As at 30 June 2024, the gearing ratio of the Group, which is calculated by dividing net debt with the equity attributable to equity holders of the Company plus net debt, was approximately 29.2% (31 December 2023: approximately 42.3%). Net debt includes interest-bearing bank borrowings and loans from an intermediate holding company and a fellow subsidiary, less cash and cash equivalents. Capital represents equity attributable to equity holders of the Company.

## **LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

During the Reporting Period, the Group maintained a healthy liquidity position, with working capital financed mainly by internal and external resources.

As at 30 June 2024, the Group reported net current assets of approximately HK\$411.4 million, as compared to approximately HK\$374.5 million as at 31 December 2023. As at 30 June 2024, the Group's cash and cash equivalents were approximately HK\$427.6 million, representing an increase of approximately HK\$191.6 million as compared to approximately HK\$236.0 million as at 31 December 2023.

The shares of the Company (the “**Shares**”) were successfully listed on the Stock Exchange on 16 October 2019 (the “**Listing Date**”). There has been no change in the capital structure of the Group since then.

## **DEBTS AND CHARGE ON ASSETS**

The Group had interest-bearing bank borrowings of approximately HK\$493.5 million as at 30 June 2024 (31 December 2023: approximately HK\$415.6 million). As at 30 June 2024, the Group pledged receivables and contract assets under service concession arrangements with net book value of HK\$183.6 million (31 December 2023: HK\$174.6 million) to bank to finance loans in the PRC.

Borrowings were denominated in Renminbi and Hong Kong Dollar and interests on borrowings were mainly charged at floating rate. The Group did not employ any financial instrument for hedging purpose during the Reporting Period. However, the Group pays vigilant attention to and monitors interest rate risks continuously and cautiously.

## **TREASURY POLICY**

The Group continues to manage its financial position carefully and maintains conservative policies in cash and financial management. The Group's liquidity and financing requirements are frequently reviewed. The Board closely monitors the Group's liquidity position to ensure that the Group can meet its funding requirements for business development.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

The Group may from time to time consider appropriate new business opportunities as and when appropriate, in order to enhance its shareholders' value. Save as disclosed herein, there was no specific plan for material investments or capital assets as at 30 June 2024.

## **DIVIDEND**

The Board recommended the payment of an interim dividend of HK1.5 cents (six months ended 30 June 2023: HK1.5 cents) per ordinary share of the Company for the six months ended 30 June 2024. The interim dividend will be paid on or around Monday, 30 September 2024 to shareholders whose names appear on the register of members of the Company on Monday, 9 September 2024 and such interim dividend will not be subject to any withholding tax in Hong Kong.

## **CLOSURE OF THE REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 5 September 2024 to Monday, 9 September 2024, both days inclusive, in order to determine the entitlement of the Company's shareholders who are entitled to receive the interim dividend, during which period no transfers of the Company's shares shall be effected. In order to qualify for the entitlement of the interim dividend, all transfer of the Company's shares, accompanied by the relevant share certificates and transfer forms, must be lodged for registration with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 4 September 2024.

## **CORPORATE GOVERNANCE PRACTICES**

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code and the Corporate Governance Report contained in Appendix C1 to the Listing Rules (the "CG Code") as its own code of corporate governance.

The Company has complied with all applicable code provisions of the CG Code for the Reporting Period. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he or she has complied with the required standards as set out in the Model Code for the Reporting Period.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the Reporting Period, neither the Company nor any of its subsidiaries or consolidated affiliated entities has purchased, sold or redeemed any of the Company's listed securities.

## **REVIEW OF INTERIM RESULTS**

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2024 have been reviewed by the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by HKICPA. The Board, through the audit committee of the Company, has also conducted a review of the internal control and the unaudited consolidated interim results for the six months ended 30 June 2024.

## **PUBLICATION OF THE INTERIM RESULTS AND 2024 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<https://www.cr-construction.com.hk>), and the interim report of the Group for the six months ended 30 June 2024 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board  
**CR Construction Group Holdings Limited**  
**Guan Manyu**  
*Chairman*

Hong Kong, 22 August 2024

*As at the date of this announcement, the Company has three executive directors, namely Mr. Guan Manyu, Mr. Li Kar Yin and Mr. Chan Tak Yiu; one non-executive director, namely Mr. Yang Haojiang; and four independent non-executive directors, namely The Honourable Tse Wai Chun Paul JP, Mr. Ho Man Yiu Ivan, Mr. Lau Pak Shing and Mr. Lai Yuk Fai Stephen JP.*