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ISP HOLDINGS LIMITED

昇柏控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 02340)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the “Board”) of directors (the “Directors”) of ISP Holdings Limited (the “Company”) hereby announces the unaudited interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025 (the “Reporting Period”).

FINANCIAL OVERVIEW

HK\$' million	Six months ended 30 June		Change	
	2025	2024	Amount	%
Revenue	62.2	47.5	14.7	↑ 30.9%
Gross profit	9.6	7.9	1.7	↑ 21.5%
Gross profit margin	15.4%	16.6%	-	↓ 1.2%
Operating expenses	(41.1)	(19.8)	(21.3)	↑ 107.6%
Operating loss	(31.5)	(11.9)	(19.6)	↑ 164.7%
Other income and gain or loss	8.9	1.4	7.5	↑ 535.7%
Loss for the period	(22.6)	(10.5)	(12.1)	↑ 115.2%
LBITDA	(21.5)	(9.4)	(12.1)	↑ 128.7%
	(Restated)			
Basic and diluted loss per share (HK cents)	(4.1)	(2.0)	(2.1)	↑ 105.0%

The Group reported consolidated revenue of approximately HK\$62.2 million for the Reporting Period, representing a 30.9% increase over the same period of last year (the “Corresponding Period”) (2024: HK\$47.5 million). Gross profit rose from approximately HK\$7.9 million for the Corresponding Period to approximately HK\$9.6 million for the Reporting Period, though the gross profit margin declined slightly by 1.2 percentage points from 16.6% to 15.4% compared with that of the Corresponding Period primarily due to intensified market competition compressing margin levels. The key factors impacting the performance included the substantial costs incurred in relation to arbitration cases and litigation case for completed projects of interiors and special projects business (“ISP Business”). Hearings of both arbitration cases and litigation case were held in 2025. This resulted in substantial costs for the preparation and attendance for the hearings. Also, the deteriorating and uncertain business environment in Hong Kong, coupled with financial constraints among prominent developers, led to heightened credit risk. Consequently, the Group made significant bad debt and expected credit loss provisions to mitigate the increased exposure for the Reporting Period. Due to the above factors, the operating expenses of the Group increased sharply by 107.6% compared to the Corresponding Period (2024: HK\$19.8 million), reaching approximately HK\$41.1 million. Meanwhile, other income and gain or loss increased from approximately HK\$1.4 million for the Corresponding Period to approximately HK\$8.9 million for the Reporting Period, driven by the interest income from restricted cash pledged for performance bonds issued by Falcon Insurance Company (Hong Kong) Limited, as well as a fair value gain on financial assets which was recognized during the Reporting Period.

Taking all the above factors into account, the Group recorded a loss attributable to equity holders of the Company of approximately HK\$22.6 million for the Reporting Period, compared to approximately HK\$10.5 million for the Corresponding Period. The basic and diluted loss per share for the Reporting Period was 4.1 HK cents (2024 (Restated): 2.0 HK cents).

BUSINESS REVIEW AND PROSPECTS

Business Overview

During the Reporting Period, ISP Business and property and facility management business in China (“PFM China Business”) were the two main business segments of the Group.

Business Results

HK\$' million	ISP Business Six months ended 30 June Change				PFM China Business Six months ended 30 June Change			
	2025	2024	Amount	%	2025	2024	Amount	%
Revenue	60.0	43.9	16.1	↑ 36.7%	2.2	3.7	(1.5)	↓ 40.5%
Gross profit	7.8	5.4	2.4	↑ 44.4%	1.8	2.5	(0.7)	↓ 28.0%
Operating expenses	(35.8)	(14.7)	(21.1)	↑ 143.5%	(2.1)	(2.3)	0.2	↓ 8.7%
Operating (loss)/profit	(28.0)	(9.3)	(18.7)	↑ 201.1%	(0.3)	0.2	(0.5)	↓ 250.0%
Others	0.1	0.3	(0.2)	↓ 66.7%	-	0.1	(0.1)	↓ 100.0%
(Loss)/profit for the period	(27.9)	(9.0)	(18.9)	↑ 210.0%	(0.3)	0.3	(0.6)	↓ 200.0%

ISP Business

ISP Business served as the Group’s principal revenue driver, consistently contributing over 90% revenue to the Group in recent years. Established in 2006 and acquired by the Group in 2012, the ISP Business boasts a 19-year operational track record. Since the acquisition by the Group in late 2012, ISP Business has successfully completed more than 266 projects with a cumulative contract value exceeding HK\$9.3 billion as of 30 June 2025. These projects encompass a comprehensive range of services for local clients including interior design, fitting-out, renovation and conservation, addition and alteration works (“A&A works”), construction, maintenance, and buildability and feasibility studies for building related projects.

The construction industry faced mixed conditions in the first half of 2025. While infrastructure and housing development showed early signs of recovery, which were reaffirmed by the Hong Kong Government commitment's in the 2025-26 Budget to accelerate investment in green infrastructure and large-scale housing projects, this sector's overall performance weakened due to macroeconomic instability. The factors which contributed to this downturn included sustained geopolitical uncertainties, rising costs stemming from trade protectionism, persistent inflationary pressure and weakening market sentiment as evidenced by elevated vacancy rates and declining consumer spending. These conditions significantly dampened investment appetite and investor confidence. Consequently, many potential business operators and property owners hesitated and opted to defer or even abandon planned fitting-out works, A&A projects and new construction initiatives. This hesitation led to a notable decline in invitation to tenders, intensified competition across the market and an increasingly challenging operating environment for the industry. While inevitably affected by economic downturn coupled with fewer project opportunities, compressed margins and operational constraints, ISP Business demonstrated resilience by leveraging its strong client relationships, capitalizing on its proven track record and securing new projects. Notably, a key achievement during the Reporting Period was the awarding of the proposed residential development project at Middle Gap Road from an existing employer, reaffirming client confidence in our capabilities. In addition to the significant project, ISP Business secured several small-scale renovation projects including works on commercial and residential units from former employers, demonstrating their continued trust in our service quality and satisfaction with our past performance. Further expanding its portfolio, ISP Business secured a new hoarding, demolition, and A&A works contract for a school in Causeway Bay, strengthening our presence in the education sector. Separately, the team initiated a bespoke renovation project for a yacht, commissioned by an existing employer, which showcased the Group's versatility and ability to deliver tailored solutions across diverse asset types. During the Reporting Period, ISP Business secured new contracts for a total amounting over HK\$85.0 million, maintaining stable performance comparable to the Corresponding Period. These awards underpinned the Group's market resilience and adaptability in a competitive market, and our commitment to maintaining high service standards across all segments. Building on this positive momentum, ISP Business will maintain proactive in tendering while exercising prudent risk management for the second half of 2025. As of this announcement date, ISP Business has actively tendered for projects with pending results, including new build, fitting-out, and A&A works with the total contract sum of approximately HK\$600.0 million. These potential awards could generate substantial revenue in coming years. Additionally, as of 30 June 2025, the total outstanding contract value stood at approximately HK\$173.3 million with revenue expected to be recognized within the next two years.

Amid challenging market conditions, the Group has implemented strategic cost controls, strengthened client engagement and diversified its services to mitigate risks and position itself for recovery. During the Reporting Period, ISP Business achieved significant milestones by completing two major proposed residential development projects at Bisney Road and Headland Road, as well as delivering the interiors and finishing works for a modular integrated construction project. These accomplishments demonstrated the Group's operational excellence and commitment to quality, even in market headwinds. ISP Business generated revenue of approximately HK\$60.0 million during the Reporting Period, representing a 36.7% increase from the Corresponding Period (2024: HK\$43.9 million). This growth was primarily attributable to the workload replenishment from new contracts secured in both current and prior periods, which helped offset the revenue impact from completion of substantial projects and effectively mitigated fluctuations in revenue from project cycles. Gross profit showed even stronger growth, increasing 44.4% over the Corresponding Period (2024: HK\$5.4 million) to approximately HK\$7.8 million for the Reporting Period, reflecting improved operational efficiency.

During the Reporting Period, the Group incurred substantial costs related to completed arbitration hearings that were concluded in the first half of 2025, as well as preparation for an ongoing litigation case scheduled to be started in the third quarter of 2025. On the other hand, the deteriorating business environment in Hong Kong, particularly financial instability among major developers led to heightened credit risk across the construction sector. To address the potential risk of default, the Group made significant provision for bad debt and expected credit losses on both receivables and contract assets. These challenges resulted in a 143.5% surge in operating expenses to approximately HK\$35.8 million for the Reporting Period. All these factors had led to an operating loss of approximately HK\$28.0 million for the Reporting Period compared to approximately HK\$9.3 million for the Corresponding Period. After accounting for the other income, ISP Business posted a net loss of approximately HK\$27.9 million for the Reporting Period.

Going forward, the construction industry continues to face persistent instability amid a volatile global economic environment. Macroeconomic headwinds including global inflationary pressure, ongoing geopolitical tensions and trade protectionism have further aggravated the challenges facing the construction industry in the second half of 2025. In addition, sector specific pressures, such as persistently high vacancy rates, low transaction volumes and declining property prices over recent years, have eroded and subdued investor and occupier confidence. These pressures have collectively created a hesitant and cautious market stance and reduced tender invitations to construction and fitting-out projects which led to stringent customer budgets and intensified competition and driving aggressive pricing strategies across the sector. A shadow of uncertainty is casted over the industry's operating landscape, adversely affecting investor confidence, project feasibility and long-term planning. In response to such adverse operating environment, our ISP Business is implementing a proactive, multi-pronged approach to ensure timely completion of our existing projects while maintaining high standards of client satisfaction. At the same time, the Group will adopt cautious bidding practices in tendering for new projects, balancing workload replenishment with profit margin protection and navigating intense market competition strategically. Furthermore, ISP Business will apply a sector focus approach to concentrate on core competencies in the luxury residential developments and high-end fitting-out projects. Additionally, the business will pursue extension works from existing clients and diversify our project portfolio by targeting renovation opportunities in the hospitality industry, leveraging established client relationships and capitalizing on proven technical capabilities. Simultaneously, the Group is well-positioned to benefit from the government's planned completion of 60,000 housing units as outlined in the Chief Executive's Policy Address, anticipating revival of construction and fitting-out demand and emerging niche market opportunities. This strategic approach enables the Group to maintain operational momentum, strengthen its market position, drive sustainable growth and steer through current market challenges.

Building on our enhanced financial resources, long standing industry reputation, extensive experience and proven track record in the industry, the Group maintains strong confidence in the growth prospects of ISP Business. Given the Group's sanguine outlook, including a satisfactory level of contracts on hand, recent tender submissions, and a robust pipeline of sizable tenders planned for the second half of this year, our Directors anticipate considerable business opportunities and renewed market momentum in the coming period. With a strong foundation and proactive tendering strategy, ISP Business is well-equipped to capture new business opportunities and respond to evolving market demands. The Group remains committed to leveraging its competitive strengths to drive steady and sustainable growth in the near term.

PFM China Business

During the first half of 2025, PFM China Business operated in an environment marked by challenging market conditions impacted by economic uncertainty and subdued consumer sentiment across Hong Kong and Mainland China. The sector also experienced intensified competition and profit margin pressure, particularly from government and commercial contracts. During the Reporting Period, the expiration of a major commercial property management contract in Shanghai led to decline in our performance with a significant 40.5% decline in revenue to approximately HK\$2.2 million (2024: HK\$3.7 million) while gross profit decreased by 28.0% to approximately HK\$1.8 million (2024: HK\$2.5 million) compared with the Corresponding Period. After accounting for all operating expenses, PFM China Business recorded a net loss of approximately HK\$0.3 million for the Reporting Period, which is a reversal from a net profit of approximately HK\$0.3 million for the Corresponding Period.

While maintaining cautious optimism, the Group observes gradual signs of recovery in China's market supported by the government policy easing, stimulus measures and evolving client expectations. A new residential property management contract was awarded following the Reporting Period, demonstrating improving client acquisition trends. However, we are still facing ongoing challenges in the property and management sector since the external environment is still complex and unstable. Geopolitical tensions, particularly the strained relationship between China and the United States, along with continued industry competition, add complexity to the operating landscape. To navigate these uncertainties, the Group will maintain a conservative organizational structures while leveraging diversified services to enhance business resilience and competitiveness simultaneously. To support sustainable growth, the Group will also actively pursue new and alternative business expanding income streams for PFM China Business as well as focusing on sustainable development.

Outlook of the Group

Looking forward, the Group anticipates continued economic challenges in the local market, with persistent headwinds including cautious sentiment among our potential business partners and property owners, elevated global inflationary pressures and financial constraints affecting prominent developers. These conditions are expected to suppress investment appetite and market demand that continue negatively impacting our ISP Business performance. Despite these challenges, the Group is implementing proactive strategies to be well-equipped and diversifying our project portfolio to focus on relatively stable sectors such as luxury residential development and rehabilitation, commercial properties and local residential properties. Simultaneously, the Group maintains robust liquidity to support our potential large-scale projects. By leveraging on our proven track records, extensive industry experience and multidisciplinary team expertise, we are well-positioned to undertake substantial projects to deliver high quality outcomes and strive to sustain business growth in the coming year.

The Group maintains optimism about its long-term prospects, anticipating stable financial performance, a sustainable growth trajectory and continued value creation for shareholders in the years ahead. Building on our history of resilience and improving financial performance, we remain committed to transparent governance, responsible business practices, inclusive growth strategies and sustainable development goals. Our operations are anchored in customer focus, integrity, teamwork, innovation and pursuit of excellence. By elevating and improving communication and service quality, we are committed to improving customer satisfaction across all segments. Given the rapidly evolving business landscape, the Group will continue proactively addressing operational and financial risks and adapting to the rapidly evolving business landscape. Our solid organizational foundation, combined with an experienced, dedicated management team, reinforces our confidence in facing future challenges and taking an agile, purpose-driven approach to emerging opportunities.

Financial Position and Financial Risk Management

As at 30 June 2025, there was no outstanding bank loan for the Group. During the Reporting Period, the Group's funding sources were exclusively supported by retained earnings from its business operation and internally generated cash flows.

With regard to the current portfolio of businesses, management anticipates meeting future financial requirements through shareholders' equity and available banking facilities. The existing cash and cash equivalents balance are proposed to be allocated to further strengthening the competitive position of the Group with extra cash for purchasing of surety bonds and covering of upfront project costs. This strategic allocation will enable the Group to tender for larger and/or more projects. They in turn can improve tender success rate and facilitate the expansion of ISP Business. The management of the Group will maintain proactive in monitoring the financial position, capital structure and working capital level on a regular basis to ensure sufficient liquidity in the way that can enable us to seize more business opportunities in the market when they arise, thereby enhancing long-term profitability.

Financial position (HK\$'000)	30 June 2025	31 December 2024
Total assets	285,217	297,556
Account and other receivables, retention receivables and other assets	180,313	191,978
Restricted cash deposits, pledged bank deposits/ deposits with original maturities over three months and cash and cash equivalents	102,739	103,681
Current assets	283,052	295,659
Current liabilities	146,683	146,813
Non-current liabilities	473	437
Net assets	138,061	150,306
Net assets per share (HK cents)	19.2	29.8
Current ratio	1.9	2.0

The Group maintains a conservative approach to financial risk and resource management under the supervision of the Directors.

The Group operates primarily in Hong Kong, with the majority of its assets and liabilities denominated in Hong Kong Dollars. As a result, the Group has minimal foreign currency exposure. The growth of the Group's business in China has been funded by permanent capital injections, and the long-term fund approach eliminates the need for foreign currency hedging.

As of 30 June 2025 and up to the date of this announcement, the Group had no material investments, capital commitments or contingent liabilities, with the exception that a writ of summons was received by ISP Construction (Engineering) Limited (an indirect wholly-owned subsidiary), from the employer of the factory development project at Yuen Long. Full details of the writ of summons were set out in the announcement of the Company dated 18 January 2021.

Cash Management

The Group operates a centralised cash management system. Cash balance in excess of immediate operational requirements are primarily placed in short-term bank deposits with licensed banks in Hong Kong.

Human Resources

As of 30 June 2025, the Group employed 240 staff (including Directors of the Company) across its Hong Kong and China operations (31 December 2024: 316 staff).

During the Reporting Period, the Group continued to prioritize strategic workforce management to support its core operations, particularly within the ISP Business segment. Despite ongoing challenges in the construction and interiors market, Human resources played a key role in maintaining a lean and agile workforce structure to navigate economic headwinds and project volatility. To promote workplace wellness and support employee well-being and work-life balance, the Group introduced various wellness programs aimed at ensuring business continuity and fostering sustainable growth. By embracing flexible policies, remote-friendly arrangements and digital work norms, the Group enhanced operational efficiency through improvements in processes, workspaces, collaboration systems, and staff engagement. Sustaining our service quality remains a long-term goal, and retaining top talent is critical to this mission. We consistently invest in competitive remuneration and benefits packages, informed by market research and regular benchmarking reviews. Our Human Resources team closely monitors market trends to attract high-caliber professionals and expand our talented workforce. To foster mutual growth between the Group and its employees, we actively invest in staff development and provide resources that support both personal and professional advancement. We are confident that our team will continue contributing to the Company's success by delivering high-quality services and earning the trust and recognition of our valued customers.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the Reporting Period (2024: nil).

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

		Unaudited	
		Six months ended 30 June	
		2025	2024
	Note	HK\$'000	HK\$'000
Revenue	3	62,243	47,547
Cost of sales and service		(52,682)	(39,658)
Gross profit		9,561	7,889
Other income and gain or loss	4	8,887	1,380
General and administrative expenses		(37,118)	(20,839)
Interest expenses		(27)	(34)
Net (allowances)/reversal for impairment losses on receivables and contract assets		(3,936)	1,112
Loss before taxation	5	(22,633)	(10,492)
Taxation	6	(2)	3
Loss for the period		(22,635)	(10,489)
Other comprehensive income/(loss):			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		425	(202)
Total comprehensive loss for the period attributable to equity holders of the Company		(22,210)	(10,691)
Loss per share for loss attributable to the equity holders of the Company			(Restated)
- basic and diluted (HK cents)	7	(4.1)	(2.0)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		Unaudited	Audited
		30 June	31 December
		2025	2024
	Note	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		1,948	1,678
Deferred tax assets		217	219
Total non-current assets		2,165	1,897
Current assets			
Contract assets		73,895	74,874
Account and other receivables and retention receivables	9	86,799	89,045
Deposits and prepayments		1,929	2,042
Financial assets at fair value through profit or loss (“Financial assets at FVTPL”)	10	17,690	26,017
Restricted cash deposits	11	67,307	62,620
Pledged bank deposits / deposits with original maturities over three months		14,812	19,471
Cash and cash equivalents		20,620	21,590
Total current assets		283,052	295,659
Current liabilities			
Payables and accruals	12	143,054	142,444
Contract liabilities		2,368	3,480
Lease liabilities		1,261	889
Total current liabilities		146,683	146,813
Net current assets		136,369	148,846
Total assets less current liabilities		138,534	150,743

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		Unaudited	Audited
		30 June	31 December
		2025	2024
	Note	HK\$'000	HK\$'000
Non-current liabilities			
Long service payment liabilities		279	279
Lease liabilities		194	158
		<hr/>	<hr/>
Total non-current liabilities		473	437
		<hr/>	<hr/>
Net assets		138,061	150,306
		<hr/>	<hr/>
Equity attributable to equity holders of the Company			
Share capital	13	7,173	50,486
Reserves		130,888	99,820
		<hr/>	<hr/>
Total equity		138,061	150,306
		<hr/>	<hr/>

1 Basis of Preparation

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

Except as described below, the accounting policies used in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those set out in the annual report for the year ended 31 December 2024, except for the adoption of the following revised HKFRS Accounting Standards for the first time for the current period’s financial information.

Amendments to HKAS 21

Lack of Exchangeability

The nature and impact of the revised HKFRS Accounting Standards is described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group’s condensed consolidated financial statements.

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

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Group adopts prudent liquidity risk management which includes maintaining sufficient bank balances and cash, and having available funding through an adequate amount of committed credit facilities. Cash flow forecast is performed in the operating segments of the Group and aggregated by corporate finance team taking into account the Group’s history of refinancing, its available banking facilities and its assets backing. Corporate finance team monitors forecasts of the Group’s liquidity requirements to ensure the Group has sufficient cash to operate and meet its liabilities as and when they fall due.

2 Critical Accounting Estimates and Judgements

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

In the preparation of these interim condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

3 Segment Information

In accordance with the Group's internal financial reporting provided to the chief operating decision-makers, identified as the Executive Committee of the Company, who are responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the reportable operating segments and their results are as below:

- interiors and special projects business ("ISP Business"); and
- property and facility management business in China ("PFM China Business").

Segment assets and liabilities of the Group are not reported to the Group's chief operating decision makers regularly. As a result, reportable assets and liabilities have not been presented in these condensed consolidated financial statements.

Segment Results (in HK\$'000)

Six months ended 30 June 2025	ISP Business	PFM China Business	Subtotal	Corporate Overhead (Note)	Total
Revenue					
- Over time	60,065	2,178	62,243	-	62,243
	60,065	2,178	62,243	-	62,243
Gross profit	7,804	1,757	9,561	-	9,561
<i>Gross profit margin</i>	<i>13.0%</i>	<i>80.7%</i>	<i>15.4%</i>	-	<i>15.4%</i>
Operating expenses	(35,788)	(2,045)	(37,833)	(3,221)	(41,054)
Operating loss	(27,984)	(288)	(28,272)	(3,221)	(31,493)
<i>Operating loss margin</i>	<i>-46.6%</i>	<i>-13.2%</i>	<i>-45.4%</i>	-	<i>-50.6%</i>
Interest expenses for lease liabilities	(20)	(7)	(27)	-	(27)
Other income and gain or loss	126	(66)	60	8,827	8,887
(Loss)/profit before taxation	(27,878)	(361)	(28,239)	5,606	(22,633)
Taxation	(2)	-	(2)	-	(2)
(Loss)/profit for the period	(27,880)	(361)	(28,241)	5,606	(22,635)

Six months ended 30 June 2024	ISP Business	PFM China Business	Subtotal	Corporate Overhead (Note)	Total
Revenue					
- Over time	43,887	3,660	47,547	-	47,547
	43,887	3,660	47,547	-	47,547
Gross profit	5,381	2,508	7,889	-	7,889
<i>Gross profit margin</i>	<i>12.3%</i>	<i>68.5%</i>	<i>16.6%</i>	-	<i>16.6%</i>
Operating expenses	(14,701)	(2,300)	(17,001)	(2,726)	(19,727)
Operating (loss)/profit	(9,320)	208	(9,112)	(2,726)	(11,838)
<i>Operating (loss)/profit margin</i>	<i>-21.2%</i>	<i>5.7%</i>	<i>-19.2%</i>	-	<i>-24.9%</i>
Interest expenses for lease liabilities	(21)	(13)	(34)	-	(34)
Other income and gain or loss	314	93	407	973	1,380
(Loss)/profit before taxation	(9,027)	288	(8,739)	(1,753)	(10,492)
Taxation	3	-	3	-	3
(Loss)/profit for the period	(9,024)	288	(8,736)	(1,753)	(10,489)

Note: Corporate overhead mainly represents corporate and administrative activities, and shared services.

4 Other Income and Gain or Loss

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Miscellaneous income	74	245
Bank interest income	4,920	952
Dividend derived from financial assets at FVTPL	465	358
Fair value change on financial assets at FVTPL	3,543	(229)
Exchange (loss)/gain	(115)	54
	<u>8,887</u>	<u>1,380</u>

5 Loss Before Taxation

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Loss before taxation is arrived after charging:		
Staff costs, including directors' emoluments	21,140	22,428
Depreciation of property, plant and equipment	1,081	1,095
Professional and legal expenses as included in general and administrative expenses	22,398	7,570

6 Taxation

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the period after application of available tax losses brought forward for both periods. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of tax charged to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Deferred taxation	<u>2</u>	<u>(3)</u>

7 Loss Per Share

Basic loss per share is calculated by dividing the Group's unaudited loss attributable to the equity holders less dividends (if any) to convertible preference shareholders by the weighted average number of ordinary shares in issue after adjusting for the bonus element from the rights issue on 8 May 2025 with details as set out in Note 13 during the period.

	Unaudited Six months ended 30 June	
	2025	2024 (Restated)
Loss for the period attributable to equity holders (HK\$'000)	(22,635)	(10,489)
Less: dividends to convertible preference shareholders (HK\$'000)	-	-
Loss for the period attributable to ordinary shareholders (HK\$'000)	(22,635)	(10,489)
Weighted-average number of ordinary shares issued ('000)	557,020	532,770
Basic loss per share (HK cents)	(4.1)	(2.0)

Note: Diluted loss per share were the same as the basic loss per share as the assumption of the conversion of the Company's convertible preference shares would have anti-dilutive effect.

8 Dividend

At a Board of Directors ("Board") meeting held on 22 August 2025, the Board resolved not to declare interim dividend for the six months ended 30 June 2025 (2024: nil).

9 Account and other receivables and retention receivables

The credit period of the Group's accounts receivable generally ranges from 30 to 60 days (31 December 2024: 30 to 60 days) and the majority of the Group's accounts receivable are denominated in Hong Kong dollars. The aging analysis of accounts receivable by invoice date is as follows:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Accounts receivable		
0 to 30 days	14,073	14,000
31 to 60 days	115	306
61 to 90 days	66	299
Over 90 days	24,183	27,058
	38,437	41,663
Other receivables	10,836	10,828
	49,273	52,491
Impairment of account and other receivables	(4,249)	(4,086)
	45,024	48,405
Retention receivables	42,373	40,786
Impairment of retention receivable	(598)	(146)
	41,775	40,640
Account and other receivables and retention receivables	86,799	89,045

Retention receivables in respect of the contracting business are settled in accordance with the terms of the respective contracts. At 30 June 2025, retention receivables from customers for contract works amounting to approximately HK\$4,869,000 (31 December 2024: HK\$6,633,000) are expected to be recovered or settled in more than 12 months from the end of the reporting period, all of the remaining balances are expected to be recovered or settled within one year. Retention receivables are included in current assets as the Group expects to realise these within its normal operating cycle.

The retention receivables are contract assets under HKFRS 15 until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing inspection.

The maximum exposure to credit risk at the reporting date is the carrying value of the account and other receivables and retention receivables mentioned above. The Group does not hold any collateral as security.

10 Financial assets at FVTPL

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Listed equity securities in Hong Kong	17,690	26,017

The listed equity securities are classified as current assets as the management expects to realise these financial assets within 12 months after the Reporting Period.

Fair value of the Group's financial assets are measured at fair value on a recurring basis.

The following table provides an analysis of financial instruments that are measured at fair value at the end of the reporting period, grouped into Levels 1 to 3 based on the degree to which the fair value is observable in accordance with the Group's accounting policy.

	30 June 2025			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<u>Financial assets</u>				
Financial assets at FVTPL				
- Listed equity investment	17,690	-	-	17,690

	31 December 2024			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<u>Financial assets</u>				
Financial assets at FVTPL				
- Listed equity investment	26,017	-	-	26,017

During the period, there was no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (31 December 2024: nil).

The valuation techniques and input used in the fair value measurement of financial instrument are as set out below:

<u>Financial assets</u>	<u>Fair value of</u>	<u>Fair value hierarchy</u>	<u>Valuation technique and key input</u>
Financial assets at FVTPL			
- Listed equity securities in Hong Kong	HK\$17,690,000 (31 December 2024: HK\$26,017,000)	Level 1	Quoted closing price in an active market

11 Restricted Cash Deposits

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Restricted cash deposits	67,307	62,620

These cash deposits were placed in the designated interest-bearing bank accounts in Hong Kong under the custodian's arrangement. They can be only used to settle potential future claims related to the court cases against the custodian, as specified in the surety bonds entered between the Group and custodian in early years. The restricted cash deposits will be released and repaid to the Group upon the settlement of the relevant court cases or by further court order. During the six months period ended 30 June 2025, the Group recognized interest income included in other income and gain or loss approximately HK\$4,687,000 (2024: nil) for restricted cash deposits.

As at 30 June 2025, the restricted cash deposits have not been released.

12 Payables and Accruals

The credit period of the Group's accounts payable generally ranges from 30 to 60 days. (31 December 2024: 30 to 60 days). The aging analysis of accounts payable by invoice date is as follows:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Accounts payable		
0 to 30 days	32,754	43,022
31 to 60 days	8,015	6,457
61 to 90 days	6,999	5,346
Over 90 days	31,680	21,000
	79,448	75,825
Retention payables, other payables and accruals	63,606	66,619
	143,054	142,444

Retention payables in respect of the contracting business are settled in accordance with the terms of the respective contracts.

13 Share Capital

	Nominal value per share HK\$	Number of shares '000	Amount HK\$'000
Authorised:			
At 1 January 2024 and 31 December 2024			
- Ordinary shares	0.1	9,000,000	900,000
- Convertible preference shares ("CPS")		<u>1,000,000</u>	<u>100,000</u>
At 1 January 2025		10,000,000	1,000,000
Share sub-division (Note a)	0.01	<u>90,000,000</u>	<u>-</u>
At 30 June 2025			
- Ordinary shares	0.01	90,000,000	900,000
- CPS (Note c)		<u>10,000,000</u>	<u>100,000</u>
		<u>100,000,000</u>	<u>1,000,000</u>
Issued and fully paid:			
At 1 January 2024 and 31 December 2024			
- Ordinary shares	0.1	424,850	42,486
- CPS		<u>80,000</u>	<u>8,000</u>
At 1 January 2025		504,850	50,486
Capital reduction (Note a)		-	(45,437)
Increased share upon right issue (Note b)	0.01	<u>212,425</u>	<u>2,124</u>
At 30 June 2025			
- Ordinary shares	0.01	637,275	6,373
- CPS (Note c)		<u>80,000</u>	<u>800</u>
		<u>717,275</u>	<u>7,173</u>

Note:

- (a) Reference was made to the announcement of the Company dated 13 March 2025 and circular dated 21 March 2025, the Company proposed to implement a capital reorganisation ("Capital Reorganisation") which involves capital reduction and share sub-division as follows.

Capital reduction

- (i) The issued share capital of the Company would be reduced by cancelling the paid-up capital to the extent of HK\$0.09 on each of the then issued existing ordinary shares (i.e. the ordinary share(s) of par value of HK\$0.1 each in the share capital of the Company prior to the Capital Reorganisation becoming effective) such that the par value of each issued existing ordinary share would be reduced from HK\$0.1 to HK\$0.01; and
- (ii) the issued share capital of the Company would be reduced by cancelling the paid-up capital to the extent of HK\$0.09 on each of the then issued existing preference shares (i.e. the non-voting convertible preference share(s) of par value of HK\$0.1 each in the share capital of the Company prior to the Capital Reorganisation becoming effective) such that the par value of each issued existing preference share would be reduced from HK\$0.1 to HK\$0.01; and

Share sub-division

Immediately following the capital reduction

- (i) each of the authorised but unissued existing ordinary shares of par value of HK\$0.1 each would be sub-divided into ten authorised but unissued new ordinary shares (i.e. the ordinary share(s) of par value HK\$0.01 each in the issued and unissued share capital of the Company upon the Capital Reorganisation becoming effective) of par value of HK\$0.01 each; and
- (ii) each of the authorised but unissued existing preference shares of par value of HK\$0.1 each would be sub-divided into ten authorised but unissued new preference shares (i.e. the non-voting convertible preference share(s) of par value HK\$0.01 each in the issued and unissued share capital of the Company upon the Capital Reorganisation becoming effective) of par value of HK\$0.01 each.

The Capital Reorganisation had been completed and effective on 9 April 2025.

- (b) On 8 May 2025, a rights issue on the basis of one rights share for every two existing ordinary shares of the Company held by qualifying shareholders (i.e. shareholder(s) whose name(s) appear(s) on the register of members of the Company on the 2 May 2025, other than the non-qualifying shareholder(s)) on the record date (i.e. 2 May 2025) at a subscription price of HK\$0.051 per rights share each was announced by the Company.

The rights issue was completed on 20 May 2025 resulting in the issuance of 212,425,000 new ordinary shares.

Further details of the rights issue is set out in the Company's announcements and prospectus dated 11 April 2025, 2 May 2025 and 27 May 2025.

- (c) The conversion price of the CPSs was adjusted from HK\$0.75 per ordinary shares to HK\$0.57 per ordinary shares due to the issuance of rights issue according to the relevant terms on the CPSs.

The only externally imposed capital requirement for the Group to maintain its listing status on the Stock Exchange is that it has to have a public float of at least 25% of the shares. Based on the information that is publicly available to the Group and within the knowledge of the Directors, the Group has maintained sufficient public float throughout the six months ended 30 June 2025 as required under the Listing Rules of the Stock Exchange.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares) during the Reporting Period. As at 30 June 2025, the Company did not hold any treasury shares.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

There is no event after the Reporting Period which would have a material impact on the Company's financial position.

REVIEW OF INTERIM RESULTS

The unaudited interim results of the Group for the Reporting Period have been reviewed by the audit committee of the Company and the Company's external auditor, BDO Limited, 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 the Hong Kong Institute of Certified Public Accountants.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (as amended from time to time by the Stock Exchange) as its own code of conduct for regulating securities transactions by the Directors. In response to specific enquiries by the Company, all the Directors confirmed that they have complied with the required standard set out in the Model Code throughout the Reporting Period.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has complied with all code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules.

By order of the Board
ISP Holdings Limited
Kingston Chu Chun Ho
Chairman

Hong Kong, 22 August 2025

As at the date of this announcement, the Board comprises Mr. Kingston Chu Chun Ho (Chairman) and Ms. Leung Yuet Ngor as Executive Directors; Mr. Lam Chun Kit as Non-executive Director; and Mr. Lau Man Tak, Mr. Eric Lee Hon Man and Mr. To Chun Wai as Independent Non-executive Directors.