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WAI KEE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 610)

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

Financial Performance Highlights

Revenue	HK\$6,936 million
Loss attributable to owners of the Company	HK\$3,145 million
Basic loss per share	HK\$3.96
Equity attributable to owners of the Company per share	HK\$2.11

RESULTS

The board of directors (the “Board”) of Wai Kee Holdings Limited (the “Company”) announces the unaudited results of the Company and its subsidiaries (the “Group”) for the six months ended 30th June, 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30TH JUNE, 2025

		Six months ended 30th June,	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
	Notes		
Revenue from goods and services	3	6,936,386	6,546,977
Cost of sales		(6,395,944)	(5,936,187)
Gross profit		540,442	610,790
Other income	5	70,066	72,299
Other gains and losses	6	(66,478)	(65,360)
Impairment loss on interest in an associate	12	(2,310,000)	-
Selling and distribution costs		(38,301)	(51,356)
Administrative expenses		(307,128)	(354,979)
Finance costs	7	(26,922)	(50,545)
Share of results of associates		(904,814)	(448,644)
Share of results of joint ventures		(946)	(45,454)
Loss before tax	8	(3,044,081)	(333,249)
Income tax expense	9	(28,061)	(22,253)
Loss for the period		(3,072,142)	(355,502)
(Loss) profit for the period attributable to:			
Owners of the Company		(3,144,609)	(414,693)
Non-controlling interests		72,467	59,191
		(3,072,142)	(355,502)
		HK\$	HK\$
Loss per share	11		
- Basic		(3.96)	(0.52)

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

	Six months ended 30th June,	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period	<u>(3,072,142)</u>	<u>(355,502)</u>
Other comprehensive income (expense)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	5,806	(9,327)
Fair value losses on hedging instruments designated in cash flow hedges	(6,012)	(10,288)
Exchange differences arising on translation of an associate	2,207	(194,203)
Share of cash flow hedging reserve of an associate	(166)	438
Other comprehensive income (expense) for the period	<u>1,835</u>	<u>(213,380)</u>
Total comprehensive expense for the period	<u>(3,070,307)</u>	<u>(568,882)</u>
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company	(3,145,712)	(623,675)
Non-controlling interests	75,405	54,793
	<u>(3,070,307)</u>	<u>(568,882)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30TH JUNE, 2025

		30th June, 2025 (Unaudited) HK\$'000	31st December, 2024 (Audited) HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		468,040	471,138
Right-of-use assets		69,582	81,408
Intangible assets		201,228	216,839
Goodwill		29,838	29,838
Interests in associates	12	318,278	3,353,602
Interests in joint ventures		2,468	3,181
Financial assets at fair value through profit or loss ("FVTPL")		328,559	328,559
		1,417,993	4,484,565
Current assets			
Inventories		146,096	145,079
Debtors, deposits and prepayments	13	1,020,032	1,159,976
Contract assets	14	3,850,953	4,005,624
Amounts due from associates		20,604	68,801
Amount due from a joint venture		379	312
Amounts due from other partners of joint operations		43,207	46,284
Tax recoverable		3,335	8,270
Financial assets at FVTPL		140,739	652,981
Derivative financial instruments		-	6,012
Cash held on behalf of customers		22,036	8,403
Pledged bank deposits		121,048	80,507
Time deposits with original maturity of not less than three months		610	1,343
Bank balances and cash		2,190,641	1,973,858
		7,559,680	8,157,450
Current liabilities			
Creditors and accrued charges	15	4,018,435	4,619,521
Contract liabilities		1,219,017	966,170
Amounts due to associates		26,190	25,267
Amounts due to other partners of joint operations		30,384	3,855
Amounts due to non-controlling shareholders		1,363	1,363
Lease liabilities		47,216	63,302
Tax liabilities		75,832	56,232
Bank loans		136,471	1,053,196
		5,554,908	6,788,906
Net current assets		2,004,772	1,368,544
Total assets less current liabilities		3,422,765	5,853,109

		30th June, 2025 (Unaudited) HK\$'000	31st December, 2024 (Audited) HK\$'000
	<i>Notes</i>		
Non-current liabilities			
Deferred tax liabilities		5,750	8,665
Obligations in excess of interests in associates	12	10,805	14,207
Obligations in excess of interests in joint ventures		686	453
Amount due to an associate		-	671
Lease liabilities		18,503	20,261
Bank loan		541,500	-
Other creditors		1,345	1,345
Bonds		55,636	55,636
		634,225	101,238
Net assets		2,788,540	5,751,871
Capital and reserves			
Share capital		79,312	79,312
Share premium and reserves		1,595,525	4,564,406
Equity attributable to owners of the Company		1,674,837	4,643,718
Non-controlling interests		1,113,703	1,108,153
Total equity		2,788,540	5,751,871

Notes:

1. BASIS OF PREPARATION

The 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 (“HKICPA”) as well as with the applicable disclosure requirements of Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than changes in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31st December, 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1st January, 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE FROM GOODS AND SERVICES

Disaggregation of revenue from contracts with customers

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
Type of goods and services		
Construction contracts	6,765,731	6,342,402
Sewage treatment plant operation	11,304	24,455
Steam fuel plant operation	99,200	84,127
Sale of construction materials	34,964	85,247
Sale of quarry products	25,187	10,746
	<u>6,936,386</u>	<u>6,546,977</u>
Timing of revenue recognition		
At a point in time	60,151	95,993
Over time	<u>6,876,235</u>	<u>6,450,984</u>
	<u>6,936,386</u>	<u>6,546,977</u>

4. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided. This is also the basis upon which the Group is organised. No operating segments have been aggregated in arriving at the reportable segments of the Group. The Group's reportable and operating segments under HKFRS 8 "Operating Segments" are summarised as follows:

Construction, sewage treatment and steam fuel

- construction of civil engineering and building projects
- operation of sewage treatment plant
- operation of steam fuel plant

Construction materials

- production and sale of concrete
- production, sale and laying of asphalt

Quarrying

- production and sale of quarry products

Property development and investment, toll road, investment and asset management

- strategic investment in Road King Infrastructure Limited ("Road King"), an associate of the Group

Segment revenue and results

The following is an analysis of the segment revenue and profit (loss) for each reportable and operating segment:

Six months ended 30th June, 2025

	Segment revenue			Segment profit (loss) HK\$'000
	Gross HK\$'000	Inter-segment elimination HK\$'000	External HK\$'000	
Construction, sewage treatment and steam fuel	6,899,772	(23,537)	6,876,235	104,154
Construction materials	225,396	(190,432)	34,964	33,281
Quarrying	79,933	(54,746)	25,187	30,334
Property development and investment, toll road, investment and asset management	-	-	-	(905,719)
Total	7,205,101	(268,715)	6,936,386	(737,950)

Six months ended 30th June, 2024

	Segment revenue			Segment profit (loss) HK\$ '000
	Gross HK\$ '000	Inter-segment elimination HK\$ '000	External HK\$ '000	
Construction, sewage treatment and steam fuel	6,472,335	(21,351)	6,450,984	86,444
Construction materials	323,685	(238,438)	85,247	50,721
Quarrying	90,499	(79,753)	10,746	(4,791)
Property development and investment, toll road, investment and asset management	-	-	-	(457,165)
Total	<u>6,886,519</u>	<u>(339,542)</u>	<u>6,546,977</u>	<u>(324,791)</u>

Segment profit (loss) represents profit (loss) after tax and non-controlling interests for each reportable and operating segment and includes other income, other gains and losses, share of results of associates and share of results of joint ventures which are attributable to reportable and operating segments, but excluding corporate income and expenses (including staff costs, other administrative expenses and finance costs), other gains and losses, share of results of associates and share of results of joint ventures which are not attributable to any of the reportable and operating segments and are classified as unallocated items. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Reconciliation of total segment loss to loss attributable to owners of the Company

	Six months ended 30th June,	
	2025 HK\$ '000	2024 HK\$ '000
Total segment loss	(737,950)	(324,791)
Unallocated items		
Other income	20,696	32,843
Other gains and losses	(58,965)	(53,280)
Impairment loss on interest in an associate	(2,310,000)	-
Administrative expenses	(34,612)	(33,410)
Finance costs	(22,535)	(37,336)
Share of results of associates	(1,218)	250
Share of results of joint ventures	(25)	1,031
Loss attributable to owners of the Company	<u>(3,144,609)</u>	<u>(414,693)</u>

5. OTHER INCOME

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
Other income includes:		
Dividend income from financial asset at FVTPL	1,251	515
Interest on financial asset at FVTPL	7,744	10,882
Interest on other receivables	-	1,447
Interest on bank deposits	13,239	13,188
Interest on loan to an associate	-	32
Interest on other financial asset at amortised cost	-	341
Interest on interest rate swap contracts	5,308	14,590
Operation fee income	18,489	21,117
Rental income from land and buildings	94	157
Rental income from plant and machinery	308	308
Service income from an associate	30	30

6. OTHER GAINS AND LOSSES

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
Gain on disposal of property, plant and equipment, net	106	1,170
Loss on change in fair value of financial assets at FVTPL, net	(74,564)	(23,670)
Reversal (recognition) of allowance for credit losses	3,960	(130)
Gain on disposal of partial interest in an associate	4,020	-
Impairment loss on interest in a joint venture	-	(6,691)
Written down to net realisable value of inventory	-	(36,039)
	(66,478)	(65,360)

7. FINANCE COSTS

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
Interest on bank loans	24,900	47,296
Interest on other borrowings	456	679
Interest on lease liabilities	1,186	2,199
Imputed interest on non-current amount due to an associate	380	371
	26,922	50,545

8. LOSS BEFORE TAX

Loss before tax has been arrived at after charging (crediting):

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
Amortisation of intangible assets	20,850	6,802
Depreciation of property, plant and equipment (<i>note</i>)	38,957	34,523
Depreciation of right-of-use assets	25,991	28,552
Exchange (gain) loss, net	(19,582)	13,811
Share of income tax (credit) expense of associates (included in share of results of associates)	(3,283)	191,813

Note: Included in depreciation of property, plant and equipment, HK\$18,000 (six months ended 30th June, 2024: HK\$18,000) were capitalised in inventories.

9. INCOME TAX EXPENSE

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
Current tax		
Hong Kong	27,935	18,016
Other regions in the People's Republic of China (the "PRC")	3,417	1,928
	31,352	19,944
(Over) under provision in prior years		
Hong Kong	(376)	(15)
The PRC	-	2,324
	(376)	2,309
Deferred tax		
Credit for the period	(2,915)	-
	28,061	22,253

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate for the PRC subsidiaries is 25% for both periods.

10. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th June, 2025 (six months ended 30th June, 2024: nil).

11. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
Loss for the purpose of basic loss per share (Loss for the period attributable to owners of the Company)	<u>(3,144,609)</u>	<u>(414,693)</u>

	Six months ended 30th June,	
	2025	2024
Number of ordinary shares for the purpose of basic loss per share	<u>793,124,034</u>	<u>793,124,034</u>

The Company has no potential ordinary shares in issue during both periods. Accordingly, no diluted loss per share information is presented.

12. INTERESTS IN ASSOCIATES/OBLIGATIONS IN EXCESS OF INTERESTS IN ASSOCIATES

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Cost of investments in associates		
Listed in Hong Kong (<i>note a</i>)	2,029,297	2,029,297
Unlisted	47,333	47,349
	<u>2,076,630</u>	<u>2,076,646</u>
Share of post-acquisition profits, losses and other comprehensive income, net of dividends received	2,050,843	2,772,749
Less: Impairment loss	<u>(3,820,000)</u>	<u>(1,510,000)</u>
	<u>307,473</u>	<u>3,339,395</u>
Represented by:		
Interests in associates	318,278	3,353,602
Obligations in excess of interests in associates (<i>note b</i>)	<u>(10,805)</u>	<u>(14,207)</u>
	<u>307,473</u>	<u>3,339,395</u>
Fair value of listed investments (<i>note c</i>)	<u>280,231</u>	<u>380,314</u>

Notes:

- (a) The Group holds 44.52% equity interest in an associate accounted for by using the equity method, Road King, which is engaged in property development and investment, development, operation and management of toll roads, and investment and asset management. Included in the cost of investment in Road King of HK\$2,029,297,000 (31st December, 2024: HK\$2,029,297,000), there was goodwill of HK\$30,964,000 (31st December, 2024: HK\$30,964,000) arising from acquisition of additional interest in Road King during the year ended 31st December, 2007.

The carrying amount of the Group's interest in Road King amounted to HK\$3,316,058,000 (net of accumulated impairment loss of HK\$1,510,000,000) at 31st December, 2024. The Group recognised a share of loss of Road King and its subsidiaries (collectively referred to as "Road King Group") amounting to HK\$905,719,000 (six months ended 30th June, 2024: HK\$457,165,000) and an impairment of its interest in Road King amounting to HK\$2,310,000,000 (six months ended 30th June, 2024: nil) for the six months ended 30th June, 2025, and the carrying amount of the Group's interest in Road King amounted to HK\$279,211,000 (net of accumulated impairment loss of HK\$3,820,000,000) at 30th June, 2025.

Road King Group announced on 14th August, 2025 its decision to suspend the payment of all principal and interest falling due on all of Road King Group's offshore bank debt, notes and perpetual capital securities. The management of Road King Group confirmed to the Company that subsequent to the end of the reporting period, Road King Group suspended the payment of aggregate interest on two senior notes and offshore bank borrowings, which has become due and payable. The suspended payment may lead to certain creditors of Road King Group demanding acceleration of payment of Road King Group's offshore bank borrowings and senior notes and/or taking action pursuant to the respective terms of the relevant financing arrangements.

The Group's share of loss of Road King Group for the six months ended 30th June, 2025 was based on the consolidated management accounts of Road King Group for the same period prepared by the management of Road King Group on a going concern basis in accordance with HKAS 34 issued by the HKICPA. The management of Road King Group has confirmed to the Company that when assessing the going concern assumptions of Road King Group for the preparation of the consolidated management accounts of Road King Group for the six months ended 30th June, 2025, they have taken into account the plans and measures (including financial restructuring plan and realisation of specific assets) formulated by Road King Group as a result of the above-mentioned suspension of payment, in which the execution of those plans and measures are in preliminary planning stage as at the date of approval of the condensed consolidated financial statements. Therefore, there is insufficient information available to the directors of the Company to assess the significant assumptions and estimations underlying the going concern assessment of Road King Group.

In addition, in view of the above, the directors of the Company considered that there was an indication of impairment of the Group's interest in Road King at 30th June, 2025. Accordingly, in preparing the condensed consolidated financial statements of the Group for the six months ended 30th June, 2025, the directors of the Company conducted an impairment assessment on the Group's interest in Road King, which requires an estimation of recoverable amount of the Group's interest in Road King, being the higher of its fair value less costs of disposal and value in use. The directors of the Company determined the fair value less costs of disposal of the Group's interest in Road King based on the share price of Road King. On the other hand, for the purpose of determining the value in use of the Group's interest in Road King, the directors of the Company obtained the cash flow forecast prepared by the management of Road King Group representing the best estimated future cashflows of Road King Group that the management of Road King Group confirmed had taken into account the plan and measures formulated by Road King Group as described above. However, based on all available information, material uncertainties exist as to whether Road King Group can achieve those plans and measures. Therefore, the directors of the Company considered that the fair value less costs of disposal reflects the best estimates of the recoverable amount of the Group's interest in Road King, and an additional impairment of HK\$2,310,000,000 was made to the Group's interest in Road King for the six months ended 30th June, 2025.

- (b) The Group has contractual obligations to share the net liabilities of certain associates.
- (c) The fair value of the listed investments is determined based on the quoted market bid price.

13. DEBTORS, DEPOSITS AND PREPAYMENTS

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Trade debtors - contracts with customers	749,490	688,228
Less: Allowance for credit losses	(130)	(4,090)
	749,360	684,138
Bills receivables	2,919	3,254
Other debtors	141,115	205,842
Consideration receivable from disposal of a subsidiary	13,243	132,449
Deposits	104,814	123,266
Prepayments	8,581	11,027
	<u>1,020,032</u>	<u>1,159,976</u>

At 30th June, 2025, the Group's trade debtors included an amount of HK\$17,304,000 (31st December, 2024: HK\$645,000) due from related companies which are a subsidiary and an associate of a substantial shareholder of the Company.

The Group allows an average credit period of 60 days to its trade customers. The following is an aged analysis of trade debtors (net of allowance for credit losses) presented based on the invoice date:

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Trade debtors		
0 to 60 days	677,055	612,491
61 to 90 days	5,465	2,544
Over 90 days	66,840	69,103
	749,360	684,138

Bills receivables of the Group normally mature within 90 days from the bills receipt date.

As part of the internal credit risk management, the Group applies internal credit rating for its customers. Except for trade debtors with significant balances of HK\$730,147,000 (31st December, 2024: HK\$650,476,000) and credit-impaired trade debtors with gross amount of HK\$130,000 (31st December, 2024: HK\$11,911,000) which are assessed individually, the exposure to credit risk for trade debtors are assessed on a collective basis within lifetime expected credit losses (“ECL”) (not credit-impaired). After the assessment performed by the Group, the impairment allowance on trade debtors which are assessed on a collective basis is insignificant to the Group for both periods.

14. CONTRACT ASSETS

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Analysed as current:		
Unbilled revenue of construction contracts	2,909,285	3,146,849
Retention receivables of construction contracts	941,668	858,775
	3,850,953	4,005,624
Retention receivables of construction contracts		
Due within one year	239,861	325,047
Due after one year	701,807	533,728
	941,668	858,775

At 30th June, 2025, the Group’s contract assets included an amount of HK\$61,602,000 (31st December, 2024: HK\$43,742,000) receivable from related companies which are subsidiaries and a joint operation of a substantial shareholder of the Company.

As part of the internal credit risk management, the Group applies internal credit rating for its customers in relation to construction contracts. The exposure to credit risk and ECL for contract assets are assessed individually at 30th June, 2025. After the assessment performed by the Group, the impairment allowance on contract assets is insignificant to the Group for both periods.

15. CREDITORS AND ACCRUED CHARGES

	30th June, 2025 HK\$'000	31st December, 2024 HK\$'000
Trade creditors (aged analysis based on the invoice date):		
0 to 60 days	290,243	672,100
61 to 90 days	79,067	91,325
Over 90 days	41,512	21,434
	<u>410,822</u>	<u>784,859</u>
Retention payables	1,306,483	1,247,804
Accrued project costs	2,049,629	2,326,826
Other creditors and accrued charges	251,501	260,032
	<u>4,018,435</u>	<u>4,619,521</u>
Retention payables		
Due within one year	529,261	603,813
Due after one year	777,222	643,991
	<u>1,306,483</u>	<u>1,247,804</u>

At 31st December, 2024, the Group's trade creditors included an amount of HK\$2,148,000 due to a related company which is an associate of a substantial shareholder of the Company.

For retention payables in respect of construction contracts, the due dates are usually one year after the completion of the construction works and are expected to be settled within the Group's normal operating cycle.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th June, 2025 (six months ended 30th June, 2024: nil).

BUSINESS REVIEW

For the six months ended 30th June, 2025, the Group recorded revenue of HK\$6,936 million (six months ended 30th June, 2024: HK\$6,547 million) and an unaudited loss attributable to owners of the Company of HK\$3,145 million (six months ended 30th June, 2024: HK\$415 million).

Property Development and Investment, Toll Road, Investment and Asset Management

For the six months ended 30th June, 2025, the Group shared a loss of HK\$906 million (six months ended 30th June, 2024: HK\$457 million) from Road King Infrastructure Limited (“Road King”), an associate of the Group. As of the date of this announcement, the Group holds 44.52% interest in Road King (excluding 3,000,000 ordinary shares in Road King (“Road King Shares”), representing 0.40% interest in Road King, held by Build King Holdings Limited (“Build King”), a subsidiary of the Company, which is classified under financial assets at fair value through profit or loss).

For the six months ended 30th June, 2025, Road King recorded an unaudited loss attributable to its owners of HK\$2,034 million (six months ended 30th June, 2024: HK\$1,027 million).

Due to the impact of the ongoing downturn in the real estate market and sluggish sales, Road King achieved total property sales (including joint venture and associate projects) of RMB5,232 million in the first half of 2025. The property sales comprised contracted sales of RMB4,769 million and outstanding subscribed sales of RMB463 million. The Guangdong-Hong Kong-Macao Greater Bay Area and Yangtze River Delta Region are the major sales regions.

The Hong Kong projects of Road King were also affected by the sluggish property market and throat-cutting promotion of competitive projects, resulting in a slowdown in transaction volumes during the first quarter of 2025. In the first half of 2025, the total sales of the three projects of Road King in Hong Kong amounted to HK\$1,567 million.

Road King suspended participation in land auctions to reserve funds for loan repayment and supporting its daily operation, and therefore did not acquire any new project or land parcel during the period. As at 30th June, 2025, Road King had a total land reserve of approximately 2,360,000 sqm, of which 380,000 sqm were pre-sold but yet to be delivered.

In the first half of 2025, Road King’s expressway projects in Indonesia recorded an average daily traffic of 91,100 vehicles and toll revenue of HK\$878 million (six months ended 30th June, 2024: 89,900 vehicles and HK\$919 million), representing a year-on-year increase of 1% and a decrease of 4%, respectively compared to the corresponding period of last year.

After restructuring and rectification, the business scale of the remaining original investment and asset management businesses, which mainly comprised property fund investment as well as cultural and tourist businesses, has been significantly reduced, with non-core businesses closed and non-core assets sold. Going forward, Road King will continue to review the operation of its remaining businesses and take appropriate action in due course.

Road King stays cautious in regard to the outlook of property business development in the Mainland China. In the second half of the year, Road King's property operation team will continue to ensure the stability of daily operations, ensure the timely delivery of properties, and strictly control its cash flow.

For the toll road business, Road King will continue to optimize its Indonesian expressway business and proceed with the proposed sale of its expressways in Indonesia.

Regarding offshore debt, Road King will proactively explore resolutions and, after consulting with advisors, promptly initiate communications with creditors to seek their support and cooperation, with the aim of safeguarding the interests of Road King, all creditors, and other stakeholders.

Construction, Sewage Treatment and Steam Fuel

For the six months ended 30th June, 2025, the Group shared a profit of HK\$104 million (six months ended 30th June, 2024: HK\$86 million) from Build King. As of the date of this announcement, the Group holds 58.33% interest in Build King.

For the six months ended 30th June, 2025, Build King recorded revenue of HK\$6,900 million (six months ended 30th June, 2024: HK\$6,472 million) and an unaudited profit attributable to its owners of HK\$179 million (six months ended 30th June, 2024: HK\$148 million), an increase of 20% as compared with that of 2024.

In Hong Kong, Build King provides a full spectrum of construction services from building construction and civil engineering to foundation, electrical and mechanical, interior refurbishments and fitting out works.

Since the beginning of the year, Build King has secured new construction contracts with an attributable contract value of approximately HK\$8 billion. As of the date of this announcement, the value of Build King's outstanding contracts to be completed was approximately HK\$33.6 billion, comprising HK\$20 billion from its civil division, HK\$12.6 billion from its building division and HK\$1 billion from its specialist division.

In the Mainland China, Build King operates steam supply plants in Gansu and Hubei, providing steam to factories within industrial parks, and offers operational management services to a sewage treatment plant in Wuxi for processing both household and industrial wastewater. During the period, total revenue generated from its environmental projects in the Mainland China amounted to HK\$111 million for the period (six months ended 30th June, 2024: HK\$109 million). The increase in revenue was primarily driven by steady improvements in Build King's steam plant operation. During the period, Build King's operating plants supplied an average of 108 tons/hour of steam, representing a 19% increase compared to 91 tons/hour in the same period last year. After deducting directly attributable expenses, segment profit was HK\$14 million (six months ended 30th June, 2024: segment loss of HK\$14 million), mainly due to increased revenue and appreciation of Renminbi.

As announced on 24th January, 2025, Build King exercised the redemption right under the investment agreement and reduced its interest in the urban redevelopment project known as Haitao Garden from 20% to 10%. The project, located at 58 Haitao Road, Yantian District, Shenzhen, is planned for residential and commercial development (the “Shenzhen Project”). During the period, land contracts in respect of the Shenzhen Project have been entered into. Construction is expected to be completed in phases between 2027 and 2029.

Construction Materials

For the six months ended 30th June, 2025, the construction materials division recorded revenue of HK\$225 million (six months ended 30th June, 2024: HK\$324 million) and a net profit of HK\$33 million (six months ended 30th June, 2024: HK\$51 million).

The construction materials division recorded a significant decline in profit compared to the same period in 2024, primarily due to lower sales volumes and reduced profit margins.

In the first quarter of 2025, demand for concrete fell as the construction industry slowed amid a downturn in the property market as the private sector substantially reduced the investment in property construction. In addition, the government tightened spending in response to a rising budget deficit, which was partly driven by sluggish property market performance which in turn affected its revenue collection.

Given the ongoing weakness in market conditions, management is considering the forward strategy in the asphalt operations to optimize resource allocation. However, due to a reversal of allowance for doubtful debts that had been made in previous year as a result of successful collection of a dispute debt related to a long-completed project in the current period, the asphalt operation recorded a small profit for the first half of 2025.

Quarrying

For the six months ended 30th June, 2025, the quarrying division recorded revenue of HK\$80 million (six months ended 30th June, 2024: HK\$90 million) and a net profit of HK\$30 million (six months ended 30th June, 2024: net loss of HK\$5 million).

During the period, the quarrying division turned from loss to profit in the first half of 2025 as a result of the substantial increase in volume and the lower average purchase cost of rock imported to Lam Tei Quarry, combined with a notable savings of costs in production of aggregates, contributed to the higher profit margins.

As the division’s operation relies primarily on rock imported to Lam Tei Quarry for production of aggregates, both volume and purchase cost of imported rock are critical factors influencing the division’s overall performance, which is therefore closely depending on the import rock’s availability and prices.

The market price of aggregates remains stable, though it experienced a slight decrease in the first half of 2025 due to abundant supplies of aggregates from the Mainland China.

The Group have been successfully awarded the contract for the development of the Lam Tei Underground Quarry (“Underground Quarry Contract”). The signing ceremony for the Underground Quarry Contract was held in June 2025. This project involves the development of an underground quarry-cum-cavern, encompassing quarrying activities and related ancillary operations. The Underground Quarry Contract will commence next year after the cessation of the existing contract of Lam Tei Quarry and will last for a minimum of thirteen and a half years. We anticipate a smooth transition from the existing Lam Tei Quarry contract to the Underground Quarry Contract, and preparation works are currently underway.

Fund Management Service and Securities Brokerage

WK Fund Management Limited, which secured Type 4 (Advising on Securities) and Type 9 (Asset Management) registrations, and WK Securities Limited, which secured Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) registrations, are two wholly-owned subsidiaries of the Group carrying out the fund management service and securities brokerage businesses respectively.

The division recorded a loss of HK\$2 million (six months ended 30th June, 2024: HK\$2 million) for the six months ended 30th June, 2025.

Investment in equity securities and debt securities

The Group holds certain listed equity securities in Hong Kong and quoted securities in the USA. At 30th June, 2025, the fair value of these securities was HK\$23 million (31st December, 2024: HK\$22 million), of which (including 3,000,000 Road King Shares) HK\$5 million (31st December, 2024: HK\$5 million) was invested by Build King.

The Group also invested in quoted debt securities which are bonds. At 30th June, 2025, the fair value of the Group's portfolio of quoted debt securities was HK\$85 million (31st December, 2024: HK\$185 million), of which HK\$7 million (31st December, 2024: HK\$9 million) was invested by Build King.

Build King invested in an unlisted equity investment fund issued by a private entity incorporated in Hong Kong. At 30th June, 2025, the fair value of the unlisted equity investment fund was HK\$33 million (31st December, 2024: HK\$45 million).

For the six months ended 30th June, 2025, the net loss of the above investments, being the net amount of change in fair value of the investments, dividend income and interest income, was HK\$66 million (six months ended 30th June, 2024: HK\$49 million), of which the net loss of HK\$15 million (six months ended 30th June, 2024: HK\$7 million) was from the investments by Build King, mainly as a result of the significant drop in the quoted prices of the debt securities at 30th June, 2025.

FINANCIAL REVIEW

Liquidity and Financial Resources

During the period, total borrowings decreased from HK\$1,132 million to HK\$757 million, which included bonds with carrying amounts of HK\$56 million (31st December, 2024: HK\$56 million) carrying no interest, with the maturity profile summarised as follows:

	30th June, 2025 <i>HK\$'million</i>	31st December, 2024 <i>HK\$'million</i>
Within one year	119	1,050
In the second year	72	57
In the third to fifth year inclusive	566	25
	757	1,132
Classified under:		
Current liabilities (<i>note</i>)	159	1,076
Non-current liabilities	598	56
	757	1,132

Note: At 30th June, 2025, bank loans that are repayable over one year after the end of the reporting period but contain a repayment on demand clause with an aggregate carrying amount of HK\$40 million (31st December, 2024: HK\$26 million) have been classified as current liabilities.

At 31st December, 2024, the Group had certain interest rate swap contracts, with an aggregate notional amount of HK\$680 million and maturity date of 25th March, 2025, designated as effective hedging instruments in order to minimise its exposures to forecast cash flow interest rate risk on certain bank loans. At 31st December, 2024, the fair value of the interest rate swaps under derivative financial assets was HK\$6 million. The accumulated sum has been fully released upon maturity of the interest rate swap contracts matured on 25th March, 2025. For the six months ended 30th June, 2025, the Group recorded interest income on interest rate swap contracts of HK\$5 million (six months ended 30th June, 2024: HK\$15 million).

At 30th June, 2025, included in total borrowings, HK\$41 million (31st December, 2024: HK\$27 million) carried interest at fixed rate.

At 30th June, 2025, total amount of the Group's time deposits, bank balances and cash was HK\$2,312 million (31st December, 2024: HK\$2,056 million), of which bank deposits amounting to HK\$121 million (31st December, 2024: HK\$81 million) were pledged to banks to secure certain banking facilities granted to the Group. In addition, the Group has available unutilised banking facilities of HK\$1,581 million (31st December, 2024: HK\$1,573 million).

For the six months ended 30th June, 2025, the Group recorded finance costs of HK\$27 million (six months ended 30th June, 2024: HK\$51 million).

The Group's borrowings, investments, time deposits and bank balances are principally denominated in Hong Kong dollar, Renminbi and United States dollar. As a result, the Group is exposed to the currency risks for fluctuation in exchange rates of Renminbi and United States dollar. For the six months ended 30th June, 2025, the Group recorded net exchange gain of HK\$20 million (six months ended 30th June, 2024: net exchange loss of HK\$14 million). The Group will continue to monitor its exposure to the currency risks closely.

Capital Structure and Gearing Ratio

At 30th June, 2025, the equity attributable to owners of the Company amounted to HK\$1,675 million, representing HK\$2.11 per share (31st December, 2024: HK\$4,644 million, representing HK\$5.85 per share).

At 30th June, 2025, the gearing ratio, representing the ratio of total borrowings to equity attributable to owners of the Company, was 45.2% (31st December, 2024: 24.4%) and the net gearing ratio, representing the ratio of net borrowings (total borrowings less time deposits, bank balances and cash) to equity attributable to owners of the Company, was -92.9% (31st December, 2024: -19.9%) as a result of total amount of time deposits, bank balances and cash exceeding total borrowings amount.

Pledge of Assets

At 30th June, 2025, apart from the bank deposits pledged to secure certain banking facilities granted to the Group, the quoted debt securities with an aggregate carrying amount of HK\$65 million (31st December, 2024: nil) were also pledged to secure certain banking facilities granted to the Group.

Capital Commitments and Contingent Liabilities

At 30th June, 2025, the Group committed capital expenditure contracted for but not provided in the Group's condensed consolidated financial statements of HK\$6 million (31st December, 2024: HK\$17 million) in respect of acquisition of property, plant and equipment. At 30th June, 2025 and 31st December, 2024, the Group had no contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

At 30th June, 2025, the Group had 3,899 employees (31st December, 2024: 3,922 employees), of which 3,526 (31st December, 2024: 3,588) were located in Hong Kong, 364 (31st December, 2024: 325) were located in the PRC and 9 (31st December, 2024: 9) were located in Philippines. For the six months ended 30th June, 2025, the Group's total staff costs were HK\$1,074 million (six months ended 30th June, 2024: HK\$989 million).

Competitive remuneration packages are structured to commensurate with individual responsibilities, qualification, experience and performance. In addition, discretionary bonuses may be paid depending upon the financial performance of the Group as well as the performance of the individual.

The emoluments of executive directors and senior management are determined by the Remuneration Committee of the Company with reference to salaries paid by comparable companies, their responsibilities, employment conditions and prevailing market conditions.

FUTURE OUTLOOK

For the construction division, the economic slowdown has created an increasingly competitive and challenging business environment, with both government deficit and reduced private sector spending. This has placed considerable pressure on tender prices for the division as a contractor. Despite these challenges, the division's performance in the first half of 2025 was promising, and a solid full year performance is anticipated. Looking ahead, the government has announced in its 2025 - 2026 Budget that the average annual capital works expenditure will increase from approximately HK\$90 billion to HK\$120 billion. At the same time, private sector developers have shown increasing preference to engage reputable contractors - both developments are favorable for our construction division.

For the construction materials division, stable orders from our construction division are expected to support steady performance in the second half of 2025. However, the quarrying division's results will largely depend on the volume of rock imported to Lam Tei Quarry and its associated purchase cost.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions in Part 2 of Corporate Governance Code (the "Code") set out in Appendix C1 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the six months ended 30th June, 2025, except for code provision C.2.1 of the Code.

Pursuant to code provision C.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Derek Zen Wei Peu has been both the Chairman and Chief Executive Officer of the Company since 21st June, 2025. In addition to his responsibilities as Chairman overseeing the function of the Board and formulating overall strategies and policies of the Company, Mr. Zen has taken up the management of the Group's business and overall operation. However, the daily operation of the Company has been delegated to the divisional heads, who are responsible for the different aspects of the business.

The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group's business, given that there are a strong and independent element on the Board and a clear division of responsibility in running the business of the Group. The Board believes that the structure outlined above is beneficial to the Company and its business.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors' Securities Transactions. All directors of the Company have confirmed, following specific enquiry, that they have complied with the Model Code throughout the six months ended 30th June, 2025.

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 during the six months ended 30th June, 2025.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with management, internal auditor and external auditor the accounting policies adopted by the Group and the unaudited interim financial information for the six months ended 30th June, 2025.

EXTRACT OF REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following is an extract of the report on review of condensed consolidated financial statements for the six months ended 30th June, 2025 from the external auditor of the Company, Messrs. Deloitte Touche Tohmatsu:

“Basis for Qualified Conclusion

The carrying amount of the Group’s interest in Road King Infrastructure Limited (“Road King”), an associate listed in Hong Kong accounted for by using the equity method, amounted to HK\$279,211,000 (net of accumulated impairment loss of HK\$3,820,000,000) as at 30th June, 2025. The Group recognised (a) its share of the loss of Road King and its subsidiaries (collectively referred to as “Road King Group”) amounting to HK\$905,719,000 based on the consolidated management accounts of Road King Group for the six months ended 30th June, 2025 prepared by the management of Road King Group in accordance with HKAS 34 issued by the HKICPA, and (b) an impairment of its interest in Road King amounting to HK\$2,310,000,000 for the six months ended 30th June, 2025 based on the fair value less costs of disposal, in which the details are set out in note 13(a) to the condensed consolidated financial statements of the Group. Significant management judgements and estimates have been involved in assessing these balances.

As further described in note 13(a) to the condensed consolidated financial statements of the Group, (a) there is insufficient information available to the directors of the Company to assess the significant assumptions and estimations underlying the going concern assessment of Road King Group, and (b) in view that material uncertainties exist as to whether Road King Group can achieve the plans and measures (including financial restructuring plan and realisation of specific assets) taken into account in the value in use of the Group’s interest in Road King, the directors of the Company considered that the fair value less costs of disposal reflects the best estimates of the recoverable amount of the Group’s interest in Road King.

In view of the scope limitation, we were therefore unable to obtain sufficient appropriate evidence we considered necessary to assess, (a) the amount of loss that should be shared from Road King Group and (b) the impairment on the Group’s interest in Road King, for the six months ended 30th June, 2025. There were no other satisfactory procedures that we could adopt to satisfy ourselves that the Group’s interest in Road King as at 30th June, 2025, share of the loss of Road King Group and impairment on the Group’s interest in Road Kong for the six months ended 30th June, 2025 are free from material misstatements. In addition, we were also unable to determine whether the disclosures in the condensed consolidated financial statements of the Group related to interest in Road Kong, share of loss of Road Kong and impairment assessment of interest in Road King were sufficient and appropriate. Had we been able to obtain sufficient appropriate evidence to complete our review of the equity accounting and impairment assessment of the Group’s interest in Road King, matters might have come to our attention indicating that adjustments might be necessary to the condensed consolidated financial statements of the Group.

Qualified Conclusion

Except for the adjustments to the condensed consolidated financial statements of the Group that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of the Group are not prepared, in all material respects, in accordance with HKAS 34.”

The aforesaid “note 13(a) to the condensed consolidated financial statements of the Group” is disclosed as note 12(a) in this announcement.

THE BOARD’S AND THE AUDIT COMMITTEE’S VIEWS ON THE BASIS FOR QUALIFIED CONCLUSION ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Board and the Audit Committee of the Company have considered the qualified conclusion of its auditors that the auditors have included in their review report. Both considered that given that the basis of qualification stems from Road King Group’s suspension of interest payments of senior notes and offshore bank borrowings and uncertainties as to the timing and terms upon which plans and measures (including financial restructuring plan and realization of specific assets) to address the effects of suspended payments, none of which are within the control of the Company, it is appropriate to continue to recognise share of loss using the equity method based on the consolidated management accounts of Road King Group prepared by its management and recognise an impairment of its interest in Road King based on the fair value less costs of disposal.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the Company’s website (www.waikee.com) and the Stock Exchange’s website (www.hkexnews.hk). The Interim Report 2025 containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange, and despatched to the shareholders of the Company in due course.

APPRECIATION

The Board would like to take this opportunity to extend its heartiest thanks to our shareholders, business partners, directors and our loyal and dedicated staff.

By Order of the Board
Wai Kee Holdings Limited
Derek Zen Wei Peu
Chairman

Hong Kong, 26th August, 2025

At the date of this announcement, the Board comprises three executive directors, namely Mr. Derek Zen Wei Peu, Miss Anriena Chiu Wai Yee and Mr. Hayley Zen Chung Hei, and four independent non-executive directors, namely Dr. Steve Wong Che Ming, Mr. Samuel Wan Siu Kau, Mr. Francis Wong Man Chung and Ms. Tsang Wing Yee.