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MAN SHUN GROUP (HOLDINGS) LIMITED

萬順集團（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1746)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

HIGHLIGHTS

- The Group recorded revenue of approximately HK\$44,017,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK\$69,388,000).
- Loss attributable to equity shareholders of the Company for the six months ended 30 June 2025 amounted to approximately HK\$1,446,000 (six months ended 30 June 2024: approximately HK\$1,840,000).

UNAUDITED INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Man Shun Group (Holdings) Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), together with the unaudited comparative figures for corresponding period in 2024 (the “**Corresponding Period**”), as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	4	44,017	69,388
Cost of services		<u>(34,647)</u>	<u>(63,086)</u>
Gross profit		9,370	6,302
Other income	5	1,529	3,782
Administrative expenses		(12,307)	(11,938)
Finance costs	6(a)	<u>(38)</u>	<u>(46)</u>
Loss before taxation	6	(1,446)	(1,900)
Income tax credit	7	<u>–</u>	<u>60</u>
Loss and total comprehensive expense for the period		<u>(1,446)</u>	<u>(1,840)</u>
		HK cents	HK cents
Loss per share	9		
Basic		(0.14)	(0.18)
Diluted		<u>(0.14)</u>	<u>(0.18)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
	Notes		
Non-current asset			
Property, plant and equipment	10	<u>1,480</u>	<u>1,661</u>
Current assets			
Inventories	11	1,065	796
Trade and other receivables	12	38,142	50,828
Contract assets		12,680	17,990
Tax recoverable		–	203
Cash at bank and in hand		<u>79,537</u>	<u>65,023</u>
		<u>131,424</u>	<u>134,840</u>
Current liabilities			
Trade and other payables	13	12,162	14,274
Contract liabilities		376	379
Lease liabilities		<u>571</u>	<u>728</u>
		<u>13,109</u>	<u>15,381</u>
Net current assets		<u>118,315</u>	<u>119,459</u>
Total assets less current liabilities		<u>119,795</u>	<u>121,120</u>
Non-current liability			
Lease liabilities		247	126
Deferred tax liabilities		<u>27</u>	<u>27</u>
		<u>274</u>	<u>153</u>
Net assets		<u>119,521</u>	<u>120,967</u>
Capital and reserves			
Share capital	14	10,000	10,000
Reserves		<u>109,521</u>	<u>110,967</u>
Total equity		<u>119,521</u>	<u>120,967</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company (the “**Shares**”) were listed on the Main Board of the Stock Exchange of Hong Kong (the “**Stock Exchange**”) on 11 July 2018.

The address of its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the address of its principal place of business is at Room 1908, 19th Floor, Cheung Fung Industrial Building, Nos. 23–39 Pak Tin Par Street, Tsuen Wan, New Territories, Hong Kong.

The Group are principally engaged in provision of installation of heat, ventilation and air-conditioning system (the “**HVAC**”) in Hong Kong.

2. BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with the Hong Kong Accounting Standard (“**HKAS**”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

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

These condensed consolidated interim financial statements are presented in Hong Kong Dollars (“**HK\$**”), unless otherwise stated. These condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”) and should be read in conjunction with the 2024 consolidated financial statements.

The interim financial report for the six months ended 30 June 2025 is unaudited but has been reviewed by the Audit Committee of the Company.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendment to HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKAS 21, *Lack of Exchangeability*

1 January 2025

Amendments to HKAS 21 has no material impact on the Group's financial positions and performances for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2025.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received or receivable from the service contracts by the Group to external customers. The Group's operation is solely derived from HVAC business in Hong Kong during the reporting periods. For the purpose of resources allocation and performance assessment, the chief operating decision maker reviews the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment and no further discrete financial information nor analysis of this single segment is presented.

Revenue is disaggregated as follows:

By timing of revenue recognition:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Products transferred at a point in time	15,133	24,527
Services transferred over time	28,884	44,861
	<u>44,017</u>	<u>69,388</u>

By type of services:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Installation services only	10,734	9,928
Installation services with HVAC systems procurement	33,283	59,460
	<u>44,017</u>	<u>69,388</u>

Geographical information

The Group's operations are solely located in Hong Kong.

5. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Bank interest income	703	1,558
Repair and other services income	771	1,599
Sale of materials	53	431
Gain on disposal of property, plant and equipment	–	174
Gain on early termination of lease	–	3
Sundry income	2	17
	<u>1,529</u>	<u>3,782</u>

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

a. Finance costs

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on lease liabilities	<u>38</u>	<u>46</u>

b. Staff costs (including directors' emoluments)

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Salaries, wages and other benefits	11,182	12,107
Contributions to defined contribution retirement plan	<u>405</u>	<u>427</u>
	<u>11,587</u>	<u>12,534</u>

c. Other items

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Depreciation on owned property, plant and equipment	166	203
Depreciation on right-of-use assets including in administrative expenses	429	426
Depreciation on right-of-use assets including in cost of services	<u>266</u>	<u>273</u>
	<u>861</u>	<u>902</u>
Gain on disposal of property, plant and equipment	–	(174)
Gain on early termination of lease	<u>–</u>	<u>(3)</u>

7. INCOME TAX CREDIT

Taxation in the consolidated statement of profit or loss and other comprehensive expense represents:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax — Hong Kong Profits Tax		
Over-provision in respect of prior years	<u>—</u>	<u>60</u>

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries in Hong Kong have either sustained losses for tax purpose or their unused tax losses were sufficient to cover their estimated assessable profits for the periods ended 30 June 2025 and 2024.

8. DIVIDENDS

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (Corresponding Period: nil).

9. LOSS PER SHARE

a. Basic loss per share

The basic loss per share is calculated based on the loss attributable to ordinary equity shareholders of the Company for the period of HK\$1,446,000 (2024: HK\$1,840,000) and the weighted average of 1,000,000,000 ordinary shares (2024: 1,000,000,000 ordinary shares) in issue during the period.

b. Diluted loss per share

The amount of dilutive loss per share is the same as basic loss per share for the six months ended 30 June 2025 and 2024 as there were no dilutive potential ordinary shares in issue.

10. PROPERTY, PLANT AND EQUIPMENT

a. Reconciliation of carrying amount:

	Leasehold improvements <i>HK\$'000</i>	Other properties leased for own use <i>HK\$'000</i>	Furniture and equipment <i>HK\$'000</i>	Computer and office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost:						
At 1 January 2024 (audited)	748	5,991	125	786	4,063	11,713
Additions	–	903	–	2	577	1,482
Disposals	–	–	(13)	–	(656)	(669)
Early termination of lease	–	(479)	–	–	–	(479)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
At 31 December 2024 (audited) and 1 January 2025 (audited)	748	6,415	112	788	3,984	12,047
Additions	–	668	–	12	–	680
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
At 30 June 2025 (unaudited)	<u>748</u>	<u>7,083</u>	<u>112</u>	<u>800</u>	<u>3,984</u>	<u>12,727</u>
Accumulated depreciation:						
At 1 January 2024 (audited)	748	4,686	123	561	3,479	9,597
Charge for the period	–	1,325	1	91	353	1,770
Elimination of disposals	–	–	(13)	–	(655)	(668)
Elimination of early termination of lease	–	(313)	–	–	–	(313)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
At 31 December 2024 (audited) and 1 January 2025 (audited)	748	5,698	111	652	3,177	10,386
Charge for the period	–	657	–	43	161	861
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
At 30 June 2025 (unaudited)	<u>748</u>	<u>6,355</u>	<u>111</u>	<u>695</u>	<u>3,338</u>	<u>11,247</u>
Net book value:						
At 31 December 2024 (audited)	–	717	1	136	807	1,661
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
At 30 June 2025 (unaudited)	<u>–</u>	<u>728</u>	<u>1</u>	<u>105</u>	<u>646</u>	<u>1,480</u>

b. Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

		30 June 2025	31 December 2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(unaudited)	(audited)
Other properties leased for own use	(i)	728	717
Computer and office equipment	(ii)	74	111
		802	828

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	30 June 2025	31 December 2024
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Depreciation charge of right-of-use assets by class of underlying asset:		
Other properties leased for own use	657	1,325
Computer and office equipment	38	76
	695	1,401
Gain on early termination of lease	–	3
Interest on lease liabilities	38	88

During the period, additions to right-of-use assets were HK\$668,000 (Corresponding Period: HK\$659,000). This amount included the capitalised lease payments payable under lease of office premises.

(i) Other properties leased for own use

The Group has obtained the right to use other properties as its office premises and warehouses through tenancy agreements. The leases typically run for an initial period of 1 to 3 years.

The leases do not include an option to renew the lease for an additional period after the end of the contract term.

(ii) Computer and office equipment

The Group leases office equipment under leases expiring from 2 to 3 years. Leases include an option to purchase the leased office equipment at the end of the lease term at a price deemed to be a bargain purchase option. None of the leases includes variable lease payments.

11. INVENTORIES

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Raw materials	<u>1,065</u>	<u>796</u>

12. TRADE AND OTHER RECEIVABLES

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Trade receivables, net of loss allowance	15,890	27,226
Deposits, prepayment and other receivables, net of loss allowance	930	1,791
Retention receivables, net of loss allowance	<u>21,322</u>	<u>21,811</u>
	<u>38,142</u>	<u>50,828</u>

At 30 June 2025 and 31 December 2024, the amounts of retention receivables expected to be recovered after more than one year are HK\$16,890,000 and HK\$15,796,000 respectively. All of the other trade and other receivables are expected to be recovered or recognised as expense within one year.

Ageing analysis

At 30 June 2025 and 31 December 2024, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the date of payment certificate and net of loss allowances, is as follows:

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Within 1 month	11,849	21,463
1 to 3 months	3,807	5,360
Over 3 months	<u>234</u>	<u>403</u>
	<u>15,890</u>	<u>27,226</u>

Trade receivables are due within 30 to 45 days from the date of payment certificate.

13. TRADE AND OTHER PAYABLES

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Trade payables	4,088	4,261
Accrued subcontracting costs	4,954	6,607
Other payables and accruals	2,951	3,209
Provision for long service payment	169	197
	<u>12,162</u>	<u>14,274</u>

At 30 June 2025 and 31 December 2024, the ageing analysis of trade payables, based on the invoice date, is as follows:

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Within 1 month	1,363	1,023
1 to 2 months	1,185	2,886
2 to 3 months	187	352
Over 3 months	1,353	–
	<u>4,088</u>	<u>4,261</u>

14. SHARE CAPITAL

The share capital of the Company as at 30 June 2025 and 31 December 2024 is as follows:

	Number of shares	HK\$'000
Authorised ordinary shares of \$0.01 each		
At 1 January 2024 (audited), 31 December 2024 (audited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	<u>5,000,000,000</u>	<u>50,000</u>
Ordinary shares, Issued and fully paid		
At 1 January 2024 (audited), 31 December 2024 (audited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	<u>1,000,000</u>	<u>10,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

15. CAPITAL COMMITMENTS

The Group did not have any significant capital commitments as at 30 June 2025 and 31 December 2024.

16. CONTINGENT LIABILITIES

At 30 June 2025, contingent liabilities authorised but not provided for in the consolidated financial statements were as follows:

	30 June 2025 <i>HK\$'000</i> (unaudited)	31 December 2024 <i>HK\$'000</i> (audited)
Court proceedings (<i>note</i>)	<u>872</u>	<u>872</u>

Note: In 2020, a subcontractor sued Man Tung Air-Conditioning Works Limited (“**Man Tung Works**”), a subsidiary of the Company, for the amount due of HK\$871,664 for the ventilation fans installation works. Currently, Man Tung Works is waiting for 1st court session. Based on the legal advice and after consideration of possible business and financial impact, the directors believe stand a reasonable chance of success in defending the action and securing the counterclaims, therefore there is no present obligation to make any provision for the case at this stage.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an established HVAC electrical and mechanical (“**HVAC E&M**”) engineering services provider in Hong Kong with a long business history dating back to 1996. The Group generally focuses on serving new residential property developments projects as a first-tier or second-tier subcontractor in Hong Kong. The HVAC E&M engineering services typically involve installation of HVAC systems, which refers to heat, ventilation and air-conditioning systems.

The Group is registered as a Registered Electrical Contractor under the Electrical and Mechanical Services Departments of the Government, a minor works contractor (company) of Type A (Classes II and III), Type D (Classes II and III) and Type E (Classes II and III) under the Building Authority and a registered subcontractor under the Subcontractor Registration Scheme operated by the Construction Industry Council.

The growth in Hong Kong’s construction industry is slow, owing to slump in property sector in the first half of 2025 which affect the speed of housing construction by developers and less availability of new projects for tendering. During the Reporting Period, certain of the Group’s projects faced the slowdown or suspension in commencement and/or construction progress. As a results, the Group recorded a net loss of approximately HK\$1,446,000 during the Reporting Period.

FINANCIAL REVIEW

Revenue

By type of services:

	Six months ended 30 June							
	2025		Gross profit margin		2024		Gross profit margin	
	Revenue HK\$'000 (unaudited)	%	Gross profit HK\$'000 (unaudited)	%	Revenue HK\$'000 (unaudited)	%	Gross profit HK\$'000 (unaudited)	%
Installation services only	10,734	24	2,855	27	9,928	14%	207	2%
Installation services with HVAC systems procurement	33,283	76	6,515	20	59,460	86%	6,095	10%
	<u>44,017</u>	<u>100</u>	<u>9,370</u>	<u>21</u>	<u>69,388</u>	<u>100%</u>	<u>6,302</u>	<u>9%</u>

By timing of revenue recognition:

	Six months ended 30 June			
	2025		2024	
	HK\$'000 (unaudited)	%	HK\$'000 (unaudited)	%
Services transferred over time	28,884	66	44,861	65%
Products transferred at a point in time	15,133	34	24,527	35%
	<u>44,017</u>	<u>100</u>	<u>69,388</u>	<u>100%</u>

During the Reporting Period, the Group's revenue decreased by approximately HK\$25,371,000 or approximately 36.6% to HK\$44,017,000 (Corresponding Period: approximately HK\$69,388,000). The decrease was mainly due to several projects reached the completion stage and a few new projects were carried out during the Reporting Period.

Cost of services

	Six months ended 30 June			
	2025		2024	
	HK\$'000 (unaudited)	%	HK\$'000 (unaudited)	%
Subcontracting fees	18,082	52	19,033	30%
Materials and consumables	8,870	26	34,531	55%
Direct labour	5,215	15	6,330	10%
Storage fee	1,219	3	1,674	3%
Others	1,261	4	1,518	2%
Total	<u>34,647</u>	<u>100</u>	<u>63,086</u>	<u>100%</u>

The Group's cost of services mainly represented cost of HVAC systems and other ancillary consumables such as pipes and fittings, and subcontracting charges for completing on site works. The cost of services decreased by approximately HK\$28,439,000 or 45.1% to approximately HK\$34,647,000 for the Reporting Period, as compared to approximately HK\$63,086,000 for the Corresponding Period. The decrease was mainly due to the decrease in revenue.

Gross profit and gross profit margin

The Group's gross profit increased by approximately HK\$3,068,000 or 48.7% from approximately HK\$6,302,000 for the Corresponding Period to approximately HK\$9,370,000 for the Reporting Period.

The gross profit margin for the Reporting Period was increased from approximately 9.1% for the Corresponding Period to approximately 21.3% for the Reporting Period. The increase was mainly due to substantial amount of revenue were recognised from projects with higher profit margin.

Other income

The other income decreased by approximately HK\$2,253,000 from approximately HK\$3,782,000 for the Corresponding Period to approximately HK\$1,529,000 for the Reporting Period.

The decrease was mainly due to the dropped in revenue derived from repairment works and selling materials and lower bank interest income due to a drop in bank interest rates for the Reporting Period.

Administrative expenses

Administrative expenses mainly comprised of staff costs, meals and entertainment expenses, depreciation expenses, transportation expenses and others. Administrative expenses increased from approximately HK\$11,938,000 for the Corresponding Period to approximately HK\$12,307,000 for the Reporting Period. The increase of administrative expenses of the Group was mainly due to the increase in the legal and professional fee.

Finance costs

Finance costs of approximately HK\$38,000 for the Reporting Period represented interest expenses on lease liabilities.

Income tax

No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries in Hong Kong have either sustained losses for tax purpose or their unused tax losses were sufficient to cover their estimated assessable profits for the Reporting Period.

Total comprehensive expense attributable to equity shareholders of the Company

For the Reporting Period, the Group's loss and total comprehensive expense attributable to equity shareholders of the Company was approximately HK\$1,446,000 (Corresponding Period: approximately HK\$1,840,000).

Dividend

The Board does not recommend any interim dividend for the Reporting Period (Corresponding Period: nil).

The Board declared a special dividend of HK\$2.4 cents per ordinary shares to the shareholders of the Company at the meeting held on 25 July 2024.

Trade and other receivables

Trade receivables decreased by 41.6% from approximately HK\$27,226,000 as at 31 December 2024 to approximately HK\$15,890,000 as at 30 June 2025.

Retention receivables decreased by HK\$489,000 from approximately HK\$21,811,000 as at 31 December 2024 to approximately HK\$21,322,000 as at 30 June 2025. The decrease in retention receivables was the net effect of retention released and the progress of the projects.

Deposits, prepayment and other receivables decreased by HK\$861,000 from approximately HK\$1,791,000 as at 31 December 2024 to approximately HK\$930,000 as at 30 June 2025. The decrease was mainly due to the deposit payment of materials was recognised to the direct cost near the end of the Reporting Period.

Trade and other payables

Trade payables decreased by 4.1% from approximately HK\$4,261,000 as at 31 December 2024 to approximately HK\$4,088,000 as at 30 June 2025.

Accrued subcontracting costs decreased by HK\$1,653,000 from approximately HK\$6,607,000 as at 31 December 2024 to approximately HK\$4,954,000 as at 30 June 2025. The amount decreased mainly due to the decrease in the number of projects during the Reporting Period.

FUTURE PROSPECTS

Competition is expected to remain keen, with profit margin tightening due to rising labour cost, price of raw materials, operating cost, strong competition in the market and the global economy uncertainty. So the year promises to continue to be a challenging and volatile year for the Group. The Group will constantly show perseverance in its development and its ability to obtain new projects.

Despite the adverse construction environment and the overall uncertainties in the recent times, the Group will constantly show perseverance in its development and its ability to obtain new projects. As a result of the endure hard work by the management, three new projects of contract sum of approximately HK\$103 million was awarded to the Group during the Reporting Period. In addition, the Group will continue to enhance its budget management, upgrade its ability in plan execution and budget control in order to further improve its management standard and secure stable and sustainable development of the Group. In addition, we are constantly evaluating our team and fleet to ensure that we are optimizing our competitiveness, minimizing the direct cost and operating efficiently.

Looking forward, the Group will further enhance the service capabilities to capture business opportunities and provide customers with comprehensive HVAC E&M engineering services with a prudent financial management strategy, pursuing a long-term healthy business growth and stable return to the shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2025, the Group's working capital was financed by internal resources. The quick ratio of the Group, which is calculated based on the current assets less inventories divided by current liabilities was approximately 9.9 times (31 December 2024: approximately 8.7 times). The Group generally financed its daily operations from generated cash flows internally. The Group financed its business expansion and new business opportunities from the net proceeds. The remaining unused net proceeds as at 30 June 2025 were placed as interest bearing deposits with licensed bank in Hong Kong.

CAPITAL STRUCTURE

Details of the Company's share capital are set out in Note 14 to the unaudited consolidated financial statements in this announcement.

FINANCIAL POLICIES

The Group is exposed to liquidity risk in respect of settlement of its trade payables and financing obligations, and also in respect of its cash flow management. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

GEARING RATIO

The Group's gearing ratio, which is calculated based on the total debt divided by total equity (defined as lease liabilities as at the respective period/year end divided by total equity as at the respective corresponding periods) was approximately 0.7% as at 30 June 2025 (As at 31 December 2024: approximately 0.7%).

The Group's debt to equity ratio, which is calculated based on the total debt (defined as the lease liabilities minus cash and cash equivalents as at the respective period/year end divided by total equity as at the respective corresponding periods) was not applicable due to the Group recorded net cash position as at 30 June 2025.

CAPITAL EXPENDITURE

During the six months ended 30 June 2025, the Group invested approximately HK\$680,000 (Corresponding Period: approximately HK\$1,239,000) in property, plant and equipment, mainly represented properties leased for own use and computer equipments.

CAPITAL COMMITMENTS

As at 30 June 2025, the Group had no significant capital commitments.

CONTINGENT LIABILITIES

As at 30 June 2025, contingent liabilities not provided for in the condensed consolidated financial statements are set out in Note 16 to the unaudited consolidated financial statements in this announcement.

SUBSEQUENT EVENT

There is no material subsequent event undertaken by the Company or by the Group after 30 June 2025 and up to the date of this announcement.

CHARGES ON THE GROUP'S ASSETS

No property, plant and equipment has been pledged as at 30 June 2025 and 2024.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the Reporting Period, the Group did not have any significant investment, material acquisition nor disposal of subsidiaries and affiliated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Prospectus of the Company dated 28 June 2018 (the “**Prospectus**”), the Group did not have other future plans for material investments or capital assets.

FOREIGN EXCHANGE RISK MANAGEMENT

The Group's monetary assets, liabilities and transactions are principally denominated in Hong Kong dollars. The Group is not significantly exposed to foreign currency risk arising from monetary assets and liabilities that are denominated in currencies other than the functional currencies of the respective group entities.

The Group currently does not have a foreign currency hedging policy as the foreign currency risk is considered to be insignificant. However, the management will continue to closely monitor the Group's foreign exchange risk exposure and will consider hedging significant foreign exchange exposure when necessary.

INFORMATION ON EMPLOYEES

As at 30 June 2025, the Group employed 61 employees (at 31 December 2024: 64 employees) with total staff cost (including Director's emoluments) of approximately HK\$11,587,000 incurred for the Reporting Period (Corresponding Period: approximately HK\$12,534,000). The Group's remuneration packages are generally structured with reference to market terms and individual merits.

DEED OF NON-COMPETITION

The controlling shareholders of the Company, namely Mr. Cheung Yuen Tung, Mr. Cheung Yuen Chau and Prime Pinnacle Limited (collectively, the “**Controlling Shareholders**”) entered into a deed of non-competition dated 8 June 2018 (“**Deed of Non-competition**”) in favour of the Company (for itself and as trustee for each of its subsidiaries). For details of the Deed of Non-competition, please refer to the section headed “Relationship with our Controlling Shareholders — Deed of Non-competition” in the Prospectus. Each of the Controlling Shareholders has confirmed that none of them is engaged in or interested in any business (other than the Group) which, directly or indirectly, competes or may compete with the business of the Group. The independent non-executive Directors have also reviewed the status of compliance and written confirmation from each of the Controlling Shareholders, and confirmed that all the undertakings under the Deed of Non-competition have been complied with by each of the Controlling Shareholders since 11 July 2018, the shares of the Company were successfully listed on the Stock Exchange, (the “**Listing Date**”) and up to the date of this announcement.

COMPETING INTEREST

Since the Listing Date and up to the date of this announcement, none of the Directors or the Controlling Shareholders of the Company or their close associates is interested in any business which competes or may compete, either directly or indirectly, with the business of the Group nor any conflicts of interest which has or may have with the Group.

USE OF PROCEEDS

The Company successfully listed on the Stock Exchange on 11 July 2018 and 250,000,000 ordinary shares were issued at HK\$0.52 per share by way of share offer (the “**Share Offer**”). Net proceeds from the Share Offer was approximately HK\$102.4 million (after deducting the underwriting fees and other related expenses).

The net proceeds will be used for the intended purposes as set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus. Set out below is the actual utilisation of net proceeds up to the date of this announcement:

	Net proceeds <i>HK\$'000</i>	Utilised <i>HK\$'000</i>	Unutilised <i>HK\$'000</i>	Expected timeline
Procurement of HVAC systems	87,654	87,654	–	
Taking out surety bonds	4,608	4,226	382	End of 2025
General working capital	10,138	10,138	–	
	<u>102,400</u>	<u>102,018</u>	<u>382</u>	

OTHER INFORMATION

Purchase, sales or redemption of the Company’s listed securities

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares of the Company.

Compliance with the Corporate Governance Code of the Listing Rules

The Board has been adamant in upholding high standards of corporate governance to maximise the operational efficiency, corporate values and shareholder returns. The Company adopted sound governance and disclosure practices and continued to upgrade internal control system, strengthen risk control management and reinforce the corporate governance structure.

The Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), for the Reporting Period.

Model Code for Securities Transactions by Directors (“Model Code”)

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding directors’ securities transactions. The Company has made specific enquiry of all Directors, they confirmed that they had complied with the required standard set out in the Model Code throughout the Reporting Period.

Audit Committee

The Audit Committee of the Company is responsible for assisting the Board in safeguarding the Group’s assets by providing an independent review of the effectiveness of the financial reporting process and the internal controls and risk management systems of the Group. It also performs other duties as assigned by the Board.

The Audit Committee has discussed with the management of the Group and reviewed the unaudited interim financial results of the Group for the Reporting Period, including the accounting principles and standards adopted by the Group, and discussed financial related matters. The interim financial report for the Reporting Period is unaudited but has been reviewed by the Audit Committee of the Company.

Publication of interim results announcement and interim report

This interim results announcement is published on the Company’s website (<http://www.manshungroup.com.hk>) and the Stock Exchange’s website (<https://www.hkexnews.hk>). The 2025 interim report of the Company will be despatched to the shareholders of the Company and will be available on the websites of the aforesaid websites in due course.

By order of the Board
Man Shun Group (Holdings) Limited
Cheung Yuen Tung
Chairman and Executive Director

Hong Kong, 27 August 2025

As of the date of this announcement, the executive Directors are Mr. Cheung Yuen Tung and Mr. Cheung Yuen Chau; and the independent non-executive Directors are Mr. Pang Kam Fai, Dickson, Mr. Law Chung Lam, Nelson and Ms. Ngai Yuk Chun.