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WK Group (Holdings) Limited

泓基集團(控股)有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2535)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

INTERIM FINANCIAL HIGHLIGHTS

- Revenue decreased by approximately HK\$6.2 million or 3.6%, from approximately HK\$171.7 million for the six months ended 30 June 2024 to approximately HK\$165.5 million for the six months ended 30 June 2025.
- Gross profit decreased by approximately HK\$7.0 million or 21.6%, from approximately HK\$32.6 million for the six months ended 30 June 2024 to approximately HK\$25.6 million for the six months ended 30 June 2025.
- The Group recorded a profit attributable to owners of the Company of approximately HK\$10.8 million for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK\$13.4 million).
- Basic earnings per share was approximately HK0.54 cents for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK0.81 cents).
- The Board resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2025 (the period from the Listing Date to 30 June 2024: nil).

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of WK Group (Holdings) Limited (the “**Company**”) is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025, together with the comparative figures for the six months ended 30 June 2024.

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
	<i>Notes</i>	(Unaudited)	(Unaudited)
Revenue	6	165,519	171,708
Cost of services		<u>(139,942)</u>	<u>(139,088)</u>
Gross profit		25,577	32,620
Other income	7	4	3
Other gain, net	7	69	71
Administrative expenses		(12,080)	(10,726)
Listing expenses		–	(4,838)
(Impairment losses)/reversal of impairment losses on financial assets and contract assets		<u>(406)</u>	<u>112</u>
Operating profit		<u>13,164</u>	<u>17,242</u>
Finance income	9	93	380
Finance costs	9	<u>(256)</u>	<u>(279)</u>
Finance (costs)/income, net		<u>(163)</u>	<u>101</u>
Profit before income tax expense		13,001	17,343
Income tax expense	10	<u>(2,169)</u>	<u>(3,941)</u>
Profit for the period attributable to owners of the Company		<u>10,832</u>	<u>13,402</u>
Earnings per share attributable to owners of the Company			
Basic and diluted (expressed in HK cents per share)	11	<u>HK0.54 cents</u>	<u>HK0.81 cents</u>
Profit for the period		10,832	13,402
Other comprehensive income:			
Item that may be reclassified to profit or loss:			
Currency translation differences		<u>(275)</u>	<u>341</u>
Total comprehensive income for the period attributable to owners of the Company		<u>10,557</u>	<u>13,743</u>

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		30 June 2025	31 December 2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Assets			
Non-current assets			
Property, plant and equipment		21,278	21,200
Right-of-use assets		8,308	8,179
Deferred income tax assets		506	849
Investments in life insurance contracts		6,193	6,083
Deposits		–	675
		36,285	36,986
Current assets			
Trade receivables	<i>13</i>	52,072	63,874
Contract assets	<i>14</i>	96,058	95,444
Other receivables, deposits and prepayments		6,039	6,809
Income tax recoverables		–	688
Financial asset at fair value through profit or loss		–	4,465
Bank deposit with maturity over 3 months		5,101	5,076
Cash and cash equivalents		116,059	99,963
		275,329	276,319
Total assets		311,614	313,305
Equity			
Equity attributable to owners of the Company			
Share capital		20,000	20,000
Capital reserve		1,700	1,700
Share premium		91,823	91,823
Reserves		(300)	(25)
Retained earnings		150,716	139,884
		263,939	253,382

		30 June 2025	31 December 2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Liabilities			
Non-current liabilities			
Lease liabilities		<u>1,150</u>	<u>2,483</u>
Current liabilities			
Trade and retention payables	15	25,439	32,969
Accruals and other payables		7,515	11,769
Contract liabilities	14	1,126	1,958
Lease liabilities		6,036	4,404
Bank borrowings		5,274	5,865
Current income tax liabilities		<u>1,135</u>	<u>475</u>
		<u>46,525</u>	<u>57,440</u>
Total liabilities		<u>47,675</u>	<u>59,923</u>
Total equity and liabilities		<u><u>311,614</u></u>	<u><u>313,305</u></u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. GENERAL INFORMATION

WK Group (Holdings) Limited (the “**Company**”) was incorporated in the Cayman Islands on 28 June 2023 as an exempted company with limited liability under Companies Act (as revised) of the Cayman Islands. The address of the Company’s registered office is Suite 102, Cannon Place, P.O. Box 712, North Sound Rd., George Town, Grand Cayman KY1-9006, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are engaged in the provision of services for structural steelwork in Hong Kong. The ultimate holding company of the Company is WK (BVI) Limited, a limited liability company incorporated in the British Virgin Islands. The ultimate controlling shareholders of the Group are Mr. Chan Kam Kei, Mr. Chan Kam Kong, Mr. Chan Wing Hong, Ms. Choi Chick Cheong and Ms. Chan Suk Man.

On 8 March 2024, the shares of the Company (the “**Shares**”) were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Listing**”) by way of share offer (the “**Share Offer**”).

2. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements (the “**unaudited interim financial statements**”) are prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). These unaudited interim financial statements have been prepared under the historical cost convention, except for the investments in life insurance contracts, which have been measured at cash surrender value. These unaudited interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual audited consolidated financial statements for the year ended 31 December 2024.

The accounting policies adopted in the preparation of this unaudited interim financial statements are consistent with those adopted in the Company’s annual audited consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which also include HKASs and Interpretations) issued by the HKICPA, except for the adoption of the amendments to HKFRSs as disclosed in note 3 below.

These unaudited interim financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand (“**HK\$’000**”) except when otherwise indicated. These unaudited interim financial statements have not been audited or reviewed by the Company’s external auditors, but have been reviewed by the Company’s audit committee.

3. APPLICATION OF AMENDMENTS TO HKFRSs

The Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the unaudited interim financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRSs 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 unaudited condensed consolidated interim financial statements.

4. ISSUED BUT NOT YET EFFECTIVE HKFRSs

The following amendments to standards, and interpretation that have been issued, but are not yet effective for the six months ended 30 June 2025 and have not been early adopted by the Group:

- HKFRS 18 *Presentation and Disclosure in Financial Statement*²
- Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*¹
- Amendments to HKFRS 10 and HKAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*³
- *Annual Improvements to HKFRS Accounting Standards – Volume 11* *Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The Group has already commenced an assessment of the impact of these amended standards and interpretation. According to the preliminary assessment made by the directors of the Company now comprising the Group, no significant impact on the financial performance and positions of the Group is expected when they become effective.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unaudited interim financial information 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 expense. Actual results may differ from these estimates.

In preparing these unaudited interim financial information, the critical judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the preparation of the Company's annual audited consolidated financial statements for the year ended 31 December 2024.

6. REVENUE AND SEGMENT INFORMATION

The executive Directors are identified as the chief operating decision makers (“CODM”) of the Group who review the Group’s internal reporting in order to assess performance and allocate resources.

The Group’s revenue is derived from provision of structural steelwork in Hong Kong and accordingly, there is only one single operating segment for the Group under HKFRS 8.

Revenue

	Six months ended 30 June	
	2025	2024
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Structural steelworks	165,519	171,708

All of the Group’s revenue is recognised over time.

Revenue from major customers

	Six months ended 30 June	
	2025	2024
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Customer 1	70,507	79,327
Customer 2	24,549	N/A*
Customer 3	21,418	N/A*
Customer 4	N/A*	25,009
Customer 5	N/A*	24,232

* Represent less than 10% of revenue for the respective period.

All of the Group’s revenue are generated in Hong Kong.

7. OTHER INCOME AND OTHER GAIN, NET

	Six months ended 30 June	
	2025	2024
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Other income:		
– Government grants	4	3
Other gain, net:		
– Change in value of life insurance contracts	110	71
– Loss on disposal of plant and equipment	(41)	–
	69	71
Other income and other gain, net	73	74

8. EXPENSES BY NATURE

	Six months ended 30 June	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Employee benefit expenses (including Directors' remuneration):		
– Directors' fees	225	143
– Salaries, wages, bonuses and other welfare and allowances	16,108	17,471
– Pension costs – defined contribution plan	929	815
	<u>17,262</u>	<u>18,429</u>
Depreciation of plant and equipment	3,229	779
Depreciation of right-of-use assets	2,801	1,867

9. FINANCE (COSTS)/INCOME, NET

	Six months ended 30 June	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Finance income:		
– Interest income from bank deposits	93	380
Finance costs:		
– Interest expense on bank borrowings	(125)	(229)
– Interest expense on lease liabilities	(131)	(50)
	<u>(256)</u>	<u>(279)</u>
Finance (costs)/income, net	<u>(163)</u>	<u>101</u>

10. INCOME TAX EXPENSE

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

Hong Kong profits tax is calculated at 16.5% (six months ended 30 June 2024: 16.5%) of the estimated assessable profits during the six months ended 30 June 2025, except for one entity of the Group that is qualified under the two-tiered profits tax rate regime, under which the first HK\$2.0 million of its assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% (six months ended 30 June 2024: same).

Provision for Mainland China corporate income tax is calculated at the statutory rate of 25% (six months ended 30 June 2024: 25%) on the assessable income.

11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2025.

The Company has 1 share in issue as at incorporation date. The weighted average number of ordinary shares in issue for the six months ended 30 June 2024 for the purpose of earnings per share computation has been retrospectively adjusted for the effect of the 1,499,999,999 shares issued under the capitalisation issue on 8 March 2024.

On the same date, 500,000,000 shares were issued by way of Share Offer upon the Company's Listing. Hence, further 156,164,000 shares, being the effect of the Share Offer calculated using a time-weighting factor, has been included in such weighted average numbers of ordinary shares in issue for the six months ended 30 June 2024.

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Profit attributable to owners of the Company (HK\$'000)	<u>10,832</u>	<u>13,402</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,000,000</u>	<u>1,656,164</u>
Basic earnings per share (in HK cents)	<u>0.54</u>	<u>0.81</u>

Diluted earnings per share for the six months ended 30 June 2025 were the same as the basic earnings per share as there were no dilutive potential ordinary shares outstanding (six months ended 30 June 2024: same).

12. DIVIDEND

No dividend has been paid or declared by the Company for the six months ended 30 June 2025.

In January 2024, prior to the capitalisation issue by the Company on 8 March 2024 and the Listing, the Company declared an interim dividend of approximately HK\$26,586,000, of which approximately HK\$10,000,000 was settled by cash and approximately HK\$16,586,000 was offset against the aggregate amounts due from the Directors and the related company.

13. TRADE RECEIVABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade receivables	55,996	67,870
Less: provision for impairment	<u>(3,924)</u>	<u>(3,996)</u>
	<u>52,072</u>	<u>63,874</u>

The ageing analysis of the gross trade receivables based on invoice date is as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 90 days	49,986	64,042
91-180 days	1,459	–
Over 180 days	4,551	3,828
	55,996	67,870

The credit terms provided to customers mainly range from 30 to 60 days. The Group's trade receivables are denominated in HK\$.

The carrying amounts of trade receivables approximate their fair values.

14. CONTRACT ASSETS AND CONTRACT LIABILITIES

Included in contract assets/(liabilities) are the following:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Contract assets		
Unbilled revenue	25,637	20,789
Retention receivables for structural steelwork	73,990	77,746
	99,627	98,535
Total contract assets	(3,569)	(3,091)
Less: provision for impairment		
	96,058	95,444
Contract liabilities	(1,126)	(1,958)

15. TRADE AND RETENTION PAYABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade payables	23,469	31,431
Retention payables	1,970	1,538
	25,439	32,969

The trade and retention payables are mainly denominated in HK\$ and the carrying amounts approximate to their fair values.

The ageing analysis of the trade payables based on invoice date is as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 30 days	8,580	16,639
31-60 days	4,580	3,683
61-90 days	3,437	5,123
More than 90 days	6,872	5,986
	<hr/>	<hr/>
	23,469	31,431
	<hr/> <hr/>	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a structural steelwork contractor in Hong Kong, specialising in the supply, fabrication and installation of structural steel for construction projects in Hong Kong. The Group was established in 1999 and has since undertaken structural steelwork in the role of subcontractor. With its two production facilities in Dongguan, the PRC, the Group possesses in-house capacity to process and fabricate structural steel tailored to the specifications of the customers.

The shares of the Company (the “**Shares**”) were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 8 March 2024 (the “**Listing Date**”) by way of share offer (the “**Share Offer**”) (the “**Listing**”).

Recent instability in Hong Kong’s property market has presented serious challenges for structural steelwork contractors. Demand for new developments has weakened, resulting in a decline in both project numbers and revenue streams. Despite these challenges, the Group adopted a steady and resilient approach, proactively seeking stable business opportunities through strategic tendering. Effective tendering strategies became crucial, with project teams investing additional resources in meticulous cost estimation and competitive pricing to ensure each tender offer was both attractive to customers and financially viable for the Group.

To address ongoing fluctuations and uncertainties, the Group placed strong emphasis on cost control and operational efficiency. Internal processes was streamlined to keep overheads at a low level and project execution efficient, without compromising safety or quality. Close and ongoing communication with suppliers and careful materials management helped avoid unnecessary expenditure and ensured budgets remain on track.

The management team regularly reviewed financial performance, adjusting forecasts and expenditures in real time. This proactive monitoring enabled the Group to identify potential risks and respond quickly to shifting market trends or unexpected challenges. Staff training and talent retention were recognised as essential for maintaining technical standards and service quality. Continuous investment in workforce development ensured the company remained ready to deliver projects effectively and safely, even as market conditions evolved.

Ultimately, the Group continued to pursue stable growth amid uncertainty, leveraging its experience and adaptability. Although near-term results was affected by market headwinds, proactive cost control, robust tendering strategies, and a strong commitment to operational discipline provided confidence that the Group would weather the downturn and emerge even stronger.

The Group’s revenue amounted to approximately HK\$165.5 million for the six months ended 30 June 2025. The amount was primarily driven by several large projects performed during the period, including: (i) a private commercial development in Causeway Bay; (ii) a public residential development in Tung Chung; and (iii) an infrastructure and public facilities development in Kai Tak.

As at 30 June 2025, the Group had 26 projects (31 December 2024: 22 projects) on hand with backlog value of approximately HK\$255.7 million (31 December 2024: approximately HK\$322.1 million).

PROSPECTS

Despite ongoing volatility in Hong Kong's real estate sector, the outlook for structural steelwork contractors remains cautiously optimistic. Although property market weakness and budget pressures persist, major public and infrastructure projects continue to drive demand for structural steelwork.

Ongoing developments including the Tung Chung New Town Extension, New Central Harbourfront, and Kwu Tung North are set to create opportunities in bridges, commercial complexes, social amenities, and residential buildings.

While the sluggish property market may temporarily affect some private sector projects, continued government support for infrastructure and public facilities development should help structural steelwork contractors remain resilient.

In summary, although challenges remain, a combination of public infrastructure spending and policy support puts the Group to focus on cost control, operational efficiency, and skills development so as to enable the Group to remain in a strong position to benefit from emerging market opportunities.

The Group remains focused on its core business strengths while also continuing to explore business opportunities. As such, the Group has established a subsidiary to enter the solar panel market, seeing solar energy as a promising and growing industry. The Group aims to leverage the sector's potential by exploring opportunities and building presence in this sustainable energy field. In addition, since the second quarter of 2025, the Group has aware of an increasing demand for prefabricated accommodation, building structures and materials. Following a series of discussions with industry participants in prefabricated accommodation, and if an opportunity arises, the Group is considering expanding into the prefabricated accommodation and building materials business to offer customisable, eco-friendly prefabricated solutions for residential, commercial, and industrial sectors.

FINANCIAL REVIEW

Revenue

Revenue amounted to approximately HK\$165.5 million for the six months ended 30 June 2025. The amount was primarily contributed by several large projects performed during the period, including: (i) a private commercial development in Causeway Bay; (ii) a public residential development in Tung Chung; and (iii) an infrastructure and public facilities development in Kai Tak. Revenue decreased by approximately HK\$6.2 million or 3.6%, from approximately HK\$171.7 million for the six months ended 30 June 2024 to approximately HK\$165.5 million for the six months ended 30 June 2025, which was mainly attributable to the slowdown in certification progress, which in turn impacted the project timeline and revenue recognition.

Cost of Services

Cost of services mainly comprised cost of materials, subcontracting fees, direct labour costs, transportation and machinery service fees.

The cost of services remained stable at approximately HK\$139.1 million and HK\$139.9 million for the six months ended 30 June 2024 and 2025, respectively.

Gross profit and gross profit margin

Gross profit decreased by approximately HK\$7.0 million or 21.6%, from approximately HK\$32.6 million for the six months ended 30 June 2024 to approximately HK\$25.6 million for the six months ended 30 June 2025. The gross profit margin decreased from approximately 19.0 % for the six months ended 30 June 2024 to approximately 15.5% for the six months ended 30 June 2025. The lower gross profit margin for the six months ended 30 June 2025 was mainly attributable to (i) the lower gross profit margin for the new awarded projects, as the Group adopted more competitive pricing to secure tender in view of the recent economic instability; and (ii) the completion of some projects with relatively higher gross profit margin.

Other income and other gain, net

Other income and other net gain remained stable at approximately HK\$73,000 and HK\$74,000 for the six months ended 30 June 2025 and 2024, respectively, in which the increase in cash surrender value of life insurance contracts to approximately HK\$110,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK\$71,000) was partially offset by the loss on disposal of plant and equipment of approximately HK\$41,000 incurred during the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

Administrative expenses

Administrative expenses mainly comprised staff costs, motor vehicles expenses, depreciation and exchange differences.

The administrative expenses increased by approximately HK\$1.4 million or 12.6%, from approximately HK\$10.7 million for the six months ended 30 June 2024 to approximately HK\$12.1 million for the six months ended 30 June 2025. Such increase was mainly driven by the increase in depreciation expenses following the Group moving to a new office and the increase in entertainment expenses.

(Impairment losses)/reversal of impairment losses on financial assets and contract assets

The Group recorded the reversal of impairment losses on financial assets and contract assets of approximately HK\$0.1 million for the six months ended 30 June 2024, and it turned to impairment losses on financial assets and contract assets of approximately HK\$0.4 million for the six months ended 30 June 2025.

Profit for the period

As a result of the foregoing, the profit for the period decreased by approximately HK\$2.6 million or 19.2%, from approximately HK\$13.4 million for the six months ended 30 June 2024 to approximately HK\$10.8 million for the six months ended 30 June 2025. The net profit margin remained stable at approximately 6.5% and 7.8% for the six months ended 30 June 2025 and 2024, respectively.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group needs to maintain a solid liquidity for working capital to support the Group's business operations. The principal sources of liquidity are equity capital, cash generated from operations and bank borrowings. As at 30 June 2025, the Group maintained a healthy liquidity position with net current assets balance of approximately HK\$228.8 million (31 December 2024: approximately HK\$218.9 million), bank deposit with maturity over 3 months of approximately HK\$5.1 million (31 December 2024: approximately HK\$5.1 million) and cash and cash equivalents of approximately HK\$116.1 million (31 December 2024: approximately HK\$100.0 million), respectively. The bank deposit with maturity over 3 months and cash and cash equivalents were denominated in Hong Kong dollars and in Renminbi ("RMB"). The Shares were listed on the Main Board of the Stock Exchange on 8 March 2024. There has been no change in the capital structure of the Company since then. As at 30 June 2025, the capital structure of the Company comprised mainly issued share capital and reserves. The Group also deployed bank borrowings as its financial resources.

Bank Borrowings

Bank borrowings as at 30 June 2025 amounted to approximately HK\$5.3 million (31 December 2024: approximately HK\$5.9 million). The bank borrowings were denominated in Hong Kong dollars and bear interest at floating rates.

Gearing Ratio

Gearing ratio is calculated as total borrowings (i.e. bank borrowings and lease liabilities) divided by the total equity as at the respective reporting dates. The gearing ratio decreased from approximately 5.0% as at 31 December 2024 to approximately 4.7% as at 30 June 2025. Such decrease was mainly due to the increase in total equity for the six months ended 30 June 2025.

Net debt to equity ratio

Net debt to equity ratio is calculated as net debts (i.e. bank borrowings and lease liabilities, net of cash and cash equivalents) divided by total equity as at the respective reporting dates.

The net debt to equity ratio was not applicable as at 30 June 2025 and 31 December 2024 as the Group had net cash position.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

Capital Expenditures

For the six months ended 30 June 2025, the Group incurred capital expenditures of approximately HK\$1.9 million (six months ended 30 June 2024: approximately HK\$1.3 million).

CONTINGENT LIABILITIES

During the six months ended 30 June 2025 and in the ordinary course of the Group's business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the Group's subcontractors in accidents arising out of and in the course of their employment. The Board is of the opinion that such claims are covered by insurance and will not result in any material adverse impact on the financial position or results and operations of the Group. No provision has been made in respect of these claims for the six months ended 30 June 2025 (six months ended 30 June 2024: same).

OFF-BALANCE SHEET ARRANGEMENTS AND COMMITMENTS

The Directors confirm that as at 30 June 2025, the Group did not have any off-balance sheet arrangements or commitments.

PLEDGE OF ASSETS

As at 30 June 2025, the bank borrowings were secured by the life insurance contracts and guaranteed by the Company.

SIGNIFICANT INVESTMENTS, ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the six months ended 30 June 2025, the Group did not have any significant investments, acquisitions or disposals of subsidiaries, associates and joint ventures.

FOREIGN EXCHANGE EXPOSURE

The Group's revenue from customers is mainly from Hong Kong while the part of materials purchased in the PRC and the fabrication of structural steel mainly operates in the PRC. Accordingly, the revenue is received in HK\$ while part of costs arising from the Group's operations are generally settled in RMB. As a result, fluctuations in the value of HK\$ against RMB could adversely affect the financial results of the Group. During the six months ended 30 June 2025, the Group did not experience any material difficulties or impacts on its operations or liquidity as a result of currency exchange fluctuation.

The Group did not use any financial instruments for hedging purposes during the six months ended 30 June 2025 and there was no hedging instruments outstanding as at 30 June 2025. The Group will continue to monitor closely the exchange rate risk arising from its existing operations and new investments in future. The Group will further implement the necessary hedging arrangement to mitigate any significant foreign exchange risk when and if appropriate.

FINANCIAL INSTRUMENTS

As at 30 June 2025, the major financial instruments include trade receivables, other receivables and deposits, bank deposit with maturity over 3 months, cash and cash equivalents, trade payables, accruals and other payables, bank borrowings and lease liabilities. The management manages such exposure to ensure appropriate measures are implemented in a timely and effective manner.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had 142 employees (31 December 2024: 137 employees) who were directly employed by the Group and based in Hong Kong and the PRC. The Group offers remuneration package to the employees which includes salary and bonuses. Generally, the Group considers employees' salaries based on each of their qualifications, position and seniority. The Group has an annual review system to appraise the performance of the employees, which constitutes the grounds of the decision as to the salary raises, bonuses and promotions. The remuneration of the Directors is decided by the Board upon the recommendation from the remuneration committee of the Company having regard to the Group's operating results, individual performance and comparable market statistics.

EVENTS AFTER THE REPORTING PERIOD

There have been no other material events from the end of the reporting period to the date of this interim results announcement.

USE OF PROCEEDS

The Shares were successfully listed on the Main Board of the Stock Exchange on 8 March 2024.

The amount of gross proceeds from the Share Offer is HK\$125.0 million and the amount of net proceeds from the Share Offer is approximately HK\$91.0 million after deducting underwriting commissions and the expenses relating to the Share Offer (the “**Net Proceeds**”).

The Net Proceeds will be used in the manner consistent with that as disclosed in the section headed “Future Plans and Use of Proceeds” of the prospectus of the Company dated 29 February 2024 (the “**Prospectus**”), the details of which are as outlined below:

Purposes	Intended use of Net Proceeds <i>HK\$ million</i>	Utilised amount of Net Proceeds from the Listing Date to 31 December 2024 <i>HK\$ million</i>	Utilised amount of Net Proceeds during the six months ended 30 June 2025 <i>HK\$ million</i>	Actual amount of Net Proceeds utilised as at 30 June 2025 <i>HK\$ million</i>	Unutilised amount of Net Proceeds as at 30 June 2025 <i>HK\$ million</i>	Expected timeline for the use of Net Proceeds
Financing the up-front costs of projects	56.0	56.0	–	56.0	–	N/A
Acquiring a piece of land and setting up a new production facility	33.1	–	–	–	33.1	December 2025
Expanding and strengthening manpower (Note)	1.9	0.6	0.6	1.2	0.7	December 2025
	<u>91.0</u>	<u>56.6</u>	<u>0.6</u>	<u>57.2</u>	<u>33.8</u>	

Note: Despite the Group’s efforts in proactively recruiting and interviewing potential candidates, the expansion of the Group’s manpower was delayed because the Group was unable to find suitable candidates. Having said that, the Group will continue to proactively recruit potential candidates.

As at the date of this results announcement, there was no further change for the intended use of Net Proceeds as disclosed in the Prospectus.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section headed “Future Plans and Use of Proceeds” of the Prospectus, as at 30 June 2025, the Group did not have other plans for material investments and capital assets.

DIVIDEND

The Board resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2025 (the period from the Listing Date to 30 June 2024: nil).

In January 2024, prior to the capitalisation issue by the Company on 8 March 2024 and the Listing, the Company declared an interim dividend of approximately HK\$26,586,000, of which approximately HK\$10,000,000 was settled by cash and approximately HK\$16,586,000 was offset against the aggregate amounts due from the Directors and the related company.

CORPORATE GOVERNANCE CODE

The Company is committed to ensuring high standards of corporate governance and business practices. The Company's corporate governance practices are based on the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). During the six months ended 30 June 2025, the Company has complied with the applicable code provisions of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the required standard for securities transactions by Directors. All Directors, after specific enquiries by the Company, confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2025.

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

No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries during the six months ended 30 June 2025.

SHARE OPTION SCHEME

Written resolutions were passed on 5 February 2024 to adopt the share option scheme (the "**Scheme**"). The principal terms of the Scheme are summarised in the paragraph headed "D. Share Option Scheme" in Appendix V of the Prospectus.

No share options have been granted, exercised, cancelled, forfeited or lapsed under the Scheme during the six months ended 30 June 2025. The Scheme will remain in force for a period of 10 years after the date of adoption.

MANAGEMENT CONTRACT

No contract, other than a contract of service with any Director or any person in the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the six months ended 30 June 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public during the six months ended 30 June 2025.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with Rule 3.22 of the Listing Rules and paragraph D.3.3 of part 2 of the Corporate Governance Code. The primary duties of the audit committee are, among others, to make recommendations to the Board on the appointment, reappointment and removal of external auditor, review the financial statements and material advice in respect of financial reporting, oversee the financial reporting process, internal control, risk management systems and audit process of the Company and perform other duties and responsibilities assigned by the Board.

The audit committee comprises Mr. Yu Chun Kit, Mr. Cha Ho Wa and Mr. Liu Chi Kwun Albert, all being our independent non-executive Directors. Mr. Yu Chun Kit is the chairperson of our audit committee.

REVIEW OF INTERIM FINANCIAL RESULTS BY AUDIT COMMITTEE

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2025 and the accounting information given in this interim results announcement has not been audited by the Company's external auditor but has been reviewed by the audit committee of the Company, which was of the opinion that the preparation of such accounting information complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement and the interim report are published on the Company's website at www.wing-kei.com.hk and the Stock Exchange's website at www.hkexnews.hk. This interim results announcement of the Company for the six months ended 30 June 2025 will be published on the websites of both the Stock Exchange and the Company in due course in the manner as required by the Listing Rules.

APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business associates and other professional parties for their support throughout the period.

On behalf of the Board
WK Group (Holdings) Limited
Chan Wing Hong
Chairman and Non-executive Director

Hong Kong, 28 August 2025

As at the date of this announcement, the Board comprises Mr. Chan Kam Kei, Mr. Chan Kam Kong, Ms. Chan Suk Man and Mr. Cheung Wang Fai Victor as executive Directors; Mr. Chan Wing Hong and Ms. Choi Chick Cheong as non-executive Directors; and Mr. Cha Ho Wa, Mr. Yu Chun Kit and Mr. Liu Chi Kwun Albert as independent non-executive Directors.