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Dragon Rise Group Holdings Limited
龍昇集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6829)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025**

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the Reporting Period amounted to approximately HK\$486.3 million (six months ended 30 September 2024: approximately HK\$471.8 million).
- Profit attributable to the equity holders of the Company for the Reporting Period amounted to approximately HK\$5.3 million (six months ended 30 September 2024: profit approximately HK\$5.9 million).
- Basic and diluted earnings per share attributable to equity holders of the Company for the Reporting Period amounted to approximately HK cents 1.86 (six months ended 30 September 2024 (restated): earnings per share approximately HK cents 3.15).
- The Board has resolved not to declare any interim dividend for the Reporting Period (six months ended 30 September 2024: nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Dragon Rise Group Holdings Limited (the “**Company**”) is pleased to present the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2025 (the “**Reporting Period**”), together with the comparative unaudited figures for the corresponding period in 2024.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

		Six months ended 30 September	
		2025	2024
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Notes			
Revenue	5	486,309	471,830
Direct costs		<u>(459,142)</u>	<u>(447,968)</u>
Gross profit		27,167	23,862
Other gain, net	7	1,701	1,155
Administrative expenses		(25,891)	(17,608)
Reversal of expected credit losses (“ECL”) allowance on trade receivables and contract assets, net		745	1,909
Finance costs	8	<u>(864)</u>	<u>(2,111)</u>
Profit before income tax	9	2,858	7,207
Income tax expense	10	<u>(2,142)</u>	<u>(1,573)</u>
Profit for the period		<u>716</u>	<u>5,634</u>
Profit for the period attributable to:			
Equity holders of the Company		5,346	5,916
Non-controlling interests		<u>(4,630)</u>	<u>(282)</u>
		<u>716</u>	<u>5,634</u>
		HK cents	HK cents
			(Restated)
Earnings per share attributable to equity holders of the Company			
Basic and diluted	12	<u>1.86</u>	<u>3.15</u>

		Six months ended 30	
		September	
		2025	2024
Notes	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)
Profit for the period		716	5,634
Other comprehensive gain:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of overseas operations		<u>243</u>	<u>621</u>
Total comprehensive income for the period		<u>959</u>	<u>6,255</u>
Total comprehensive income for the period attributable to:			
Equity holders of the Company		5,573	6,160
Non-controlling interests		<u>(4,614)</u>	<u>95</u>
		<u>959</u>	<u>6,255</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		As at 30 September 2025 <i>HK\$'000</i> (unaudited)	As at 31 March 2025 <i>HK\$'000</i> (audited)
	<i>Notes</i>		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		28,226	19,808
Investment property		3,770	3,740
Intangible assets		8,310	–
Trade and other receivables	13	902	902
Financial asset at fair value through profit and loss		2,000	2,000
		<u>43,208</u>	<u>26,450</u>
Current assets			
Trade and other receivables	13	150,223	123,656
Contract assets	14	216,216	273,125
Cash, bank balances and pledged deposits		71,292	92,730
		<u>437,731</u>	<u>489,511</u>
Current liabilities			
Trade and other payables	15	(122,530)	(157,670)
Contract liabilities		(1,115)	(701)
Borrowings		(21,250)	(30,481)
Lease liabilities		(5,161)	(2,808)
Current tax liabilities		(1,921)	(706)
		<u>(151,977)</u>	<u>(192,366)</u>
Net current assets		<u>285,754</u>	<u>297,145</u>
Total assets less current liabilities		<u>328,962</u>	<u>323,595</u>

	As at 30 September 2025 <i>Notes</i> HK\$'000 (unaudited)	As at 31 March 2025 <i>HK\$'000</i> (audited)
Non-current liabilities		
Lease liabilities	(9,451)	(4,862)
Deferred tax liabilities	<u>(774)</u>	<u>(955)</u>
	<u>(10,225)</u>	<u>(5,817)</u>
Net assets	<u>318,737</u>	<u>317,778</u>
CAPITAL AND RESERVES		
Share capital	28,800	28,800
Reserves	<u>295,747</u>	<u>290,174</u>
Equity attributable to equity holders of the Company	324,547	318,974
Non-controlling interests	<u>(5,810)</u>	<u>(1,196)</u>
TOTAL EQUITY	<u>318,737</u>	<u>317,778</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2025

1. GENERAL INFORMATION

Dragon Rise Group Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands on 22 February 2017. The Company’s shares are listed on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 8 February 2018. The addresses of the registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and the principal place of business of the Company are Unit 09, 28/F, North Tower, Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company is an investment holding company, and its subsidiaries (collectively, the “**Group**”) are principally engaged in undertaking foundation works in Hong Kong as a subcontractor and trading of construction material.

As at 30 September 2025, the directors considered the Company’s immediate and ultimate holding company to be Fame Circle Limited, a company incorporated in the British Virgin Islands (the “**BVI**”) and wholly owned by Mr. Yip Yuk Kit (“**Mr. Yip**”, Mr. Yip and Fame Circle Limited each being a “**Controlling Shareholder**”).

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 September 2025 have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange and Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The condensed consolidated interim financial statements do not include all of the information and disclosures required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 March 2025.

The condensed consolidated interim financial information is unaudited.

The condensed consolidated interim financial statements are presented in thousands of units of Hong Kong dollars (“**HK\$’000**”), except when otherwise indicated, which was approved for issue by the Board of Directors on 27 November 2025.

3. ADOPTION OF AMENDED HKFRS ACCOUNTING STANDARDS

Amended HKFRS Accounting Standards that are effective for annual period beginning on 1 April 2025

The condensed consolidated interim financial statements for the six months ended 30 September 2025 have been prepared in accordance with the accounting policies adopted in the Group's annual consolidated financial statements for the year ended 31 March 2025, except for the adoption of the Amendments to HKAS 21 "Lack of Exchangeability" which are effective as of 1 January 2025.

The adoption of the amended HKFRS Accounting Standards had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

Issued but not yet effective HKFRS Accounting Standards

The Group has not early applied the new and amended standards, amendments and interpretations which have been issued but not yet effective. The directors anticipate that all of the new and amended HKFRS Accounting Standards will be adopted in the Group's accounting policy for the first period beginning after the effective date of the new and amended HKFRS Accounting Standards. Except for those mentioned in the Group's annual financial statements for the year ended 31 March 2025, other new and amended HKFRS Accounting Standards are not expected to have a material impact on the Group's condensed consolidated financial statements.

4. USE OF JUDGEMENTS AND ESTIMATES

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

In preparing the condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements of the Group for the year ended 31 March 2025.

5. REVENUE

The Group's principal activities are disclosed in Note 1 of the condensed consolidated interim financial statements.

Revenue recognised for the six months ended 30 September 2025 and 2024 are as follows:

	Six months ended 30 September 2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Contracting revenue	450,570	418,071
Sales of construction materials	35,739	53,759
	<u>486,309</u>	<u>471,830</u>
Timing of revenue recognition under HKFRS 15		
Services transferred over time	450,570	418,071
Good transferred at a point in time	35,739	53,759
	<u>486,309</u>	<u>471,830</u>

Contracting revenue

Revenue from construction contracts are recognised over time as the Group's performance creates and enhances an asset that the customer controls which referred as the designated areas where the construction work services performed. The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining services promised under the contract.

Sales of construction materials

Revenue from sales of construction materials are recognised at a point in time when the Group transfers control of the assets to the customer.

6. SEGMENT INFORMATION

The chief operating decision-maker (the "CODM") has been identified as the executive directors of the Company. The CODM regard the Group's business as a single operating segment and review the overall results of the Group as a whole to make decision about resources allocation. Accordingly, no segment analysis information is presented.

Geographical information

The following is an analysis of the Group's revenue by the geographical locations of customers:

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Hong Kong	450,570	418,071
Mainland China	35,739	53,759
	486,309	471,830

Since majority of the Group's non-current assets were located in Hong Kong, no separate analysis of segment information in non-current assets is presented.

Information about major customers

Revenue from customers which individually contributed over 10% of the Group's revenue are as follows:

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Customer A	234,439	128,507
Customer B	148,170	156,207
Customer C	N/A *	94,396

* The corresponding revenue did not contribute over 10% of total revenue of the Group.

7. OTHER GAIN, NET

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net gains/(losses) from changes in fair value on investment property	30	(420)
Consultancy fee income	750	625
Rental income	223	84
Interest income	717	563
Exchange difference, net	(67)	303
Others	48	—
	1,701	1,155

8. FINANCE COSTS

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interests on borrowings	647	2,018
Finance charges on lease liabilities	217	93
	864	2,111

9. PROFIT BEFORE INCOME TAX

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit before income tax is stated after charging/(crediting):		
(a) Staff costs (including directors' remuneration)		
– Salaries, wages and other benefits	80,192	88,171
– Retirement scheme contributions		
<i>(note (a))</i>	<u>2,204</u>	<u>2,497</u>
Staff costs (including directors' remuneration)		
<i>(note (b))</i>	<u><u>82,396</u></u>	<u><u>90,668</u></u>
(b) Other items		
Depreciation, included in:		
Direct costs		
– Owned assets	3,119	5,147
– Right-of-use assets	118	118
Administrative expenses		
– Right-of-use assets	<u>1,820</u>	<u>1,162</u>
	<u><u>5,057</u></u>	<u><u>6,427</u></u>
Lease charges:		
– Short term lease of office	10	85
– Short term lease of machinery	<u>8,791</u>	<u>8,843</u>
	<u><u>8,801</u></u>	<u><u>8,928</u></u>
Subcontracting charges (included in direct costs)	123,148	60,998
Cost of sales of construction materials		
(included in direct costs)	33,862	50,609
Outgoings in respect of investment property	13	6
Auditor's remuneration	746	696
Reversal of expected credit loss		
("ECL") allowance on trade receivables and		
contract assets, net	<u><u>(745)</u></u>	<u><u>(1,909)</u></u>

Notes:

- (a) During the six months ended 30 September 2025 and 2024, there were no contributions forfeited by the Group on behalf of its employees who left the plan prior to vesting fully in such contribution, nor had there been any utilization of such forfeited contributions to reduce future contributions. As at 30 September 2025 and 2024, no forfeited contributions were available for utilization by the Group to reduce the existing level of contributions.
- (b) Staff costs (including directors' remuneration)

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Direct costs	70,312	80,611
Administrative expenses	12,084	10,057
	82,396	90,668

10. INCOME TAX EXPENSE

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax:		
Hong Kong Profits Tax (<i>note (a)</i>)	2,305	1,577
Overseas tax (<i>note (b)</i>)	18	585
Deferred tax	(181)	(589)
Total income tax expense	2,142	1,573

Notes:

- (a) Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying entities will be taxed at 8.25%, and the profits above HK\$2 million will be taxed at 16.5%. The profits of entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at 16.5%. For the six months ended 30 September 2025, Hong Kong profits tax of a subsidiary of the Company is calculated in accordance with the two-tiered profits tax rates regime.
- (b) Taxation on overseas profit has been calculated on the assessable profit for the period at the rates of taxation prevailing in the country in which the Group operates.

11. DIVIDENDS

No interim dividend was paid or declared by the Company during the six months ended 30 September 2025 (six months ended 30 September 2024: nil).

12. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to equity holders of the Company is based on the following:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings		
Profit for the period attributable to equity holders of the Company	<u>5,346</u>	<u>5,916</u>
	'000	'000
		(Restated)
Number of shares		
Weighted average number of ordinary shares	<u>288,000</u>	<u>187,953</u>

The calculation of the basic earnings per share for the six months ended 30 September 2025 is based on the profit for the period attributable to equity holders of the Company of HK\$5,346,000 (six months ended 30 September 2024: profit of HK\$5,916,000) and the weighted average number of ordinary shares of 288,000,000 in issue during the period (six months ended 30 September 2024 (restated): 187,953,000 in issue during the period). The weighted average number of ordinary shares for the purpose of earnings per share for the six months ended 30 September 2024 has been restated for the effect of share consolidation and rights issue. Details as set out in note 24 to the consolidated financial statement for the year ended 31 March 2025.

There were no dilutive potential ordinary shares outstanding during the six months ended 30 September 2025 and 2024 and therefore, diluted earnings per share equals to basic earnings per share.

13. TRADE AND OTHER RECEIVABLES

	As at 30 September 2025 <i>HK\$'000</i> (unaudited)	As at 31 March 2025 <i>HK\$'000</i> (audited)
Trade receivables		
– from third parties	69,657	62,559
Less: ECL allowance, net	<u>(76)</u>	<u>(314)</u>
	69,581	62,245
Deposit, prepayment and other receivables		
Other receivables	722	529
Performance deposits (<i>note (a)</i>)	60,000	60,000
Prepayment (<i>note (b)</i>)	17,916	1,805
Utility and other deposits	3,443	1,047
Amount due from the ultimate holding company	<u>110</u>	<u>110</u>
	82,191	63,491
Less: ECL allowance, net	<u>(647)</u>	<u>(1,178)</u>
	<u>81,544</u>	<u>62,313</u>
	<u><u>151,125</u></u>	<u><u>124,558</u></u>

Notes:

- (a) The amount was paid to a Group's customer as security for the due performance and observance of the Group's obligations under the contract entered into between the Group and the customer.
- (b) Prepayment of HK\$262,000 and HK\$12,679,000 was made for purchasing materials and property, plant and equipment as at 30 September 2025 (31 March 2025 (audited): HK\$236,000 and HK\$975,000).

The directors of the Company consider that the fair values of trade and other receivables which are expected to be recovered within one year are not materially different from their carrying amounts, because their balances have short maturity periods on their inception.

Trade receivables

The Group usually provides customers with a credit term of 28 to 90 days (31 March 2025 (audited): 28 to 90 days). For the settlement of trade receivables from provision of construction services, the Group usually reaches an agreement on the term of each payment with the customer by taking into account of factors such as, among other things, the credit history of the customer, its liquidity position and the Group's working capital needs, which varies on a case-by-case basis that requires the judgment and experience of the management.

To measure the ECL, trade receivables and contract assets have been grouped based on shared common credit risk characteristics. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the ECL rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The ECL allowance on trade receivables are estimated by reference to historical observed default experience of the debtors and an analysis of the debtor's current financial position, adjusted for forward-looking information that is available without undue cost or effort. As at 30 September 2025, ECL allowance of HK\$723,000 (31 March 2025 (audited): HK\$1,492,000) was recognised on these debtors.

Based on the invoice dates, the ageing analysis of the trade receivables net of ECL allowance is as follows:

	As at 30 September 2025 HK\$'000 (unaudited)	As at 31 March 2025 HK\$'000 (audited)
0–30 days	52,216	40,952
31–60 days	15,155	17,206
61–90 days	2,210	4,087
	<u>69,581</u>	<u>62,245</u>

14. CONTRACT ASSETS

	As at 30 September 2025 <i>HK\$'000</i> (unaudited)	As at 31 March 2025 <i>HK\$'000</i> (audited)
Unbilled revenue	121,719	186,030
Retention receivables	98,311	90,885
Less: ECL allowance, net	<u>(3,814)</u>	<u>(3,790)</u>
	<u>216,216</u>	<u>273,125</u>

Notes:

Unbilled revenue represents the Group's right to receive consideration for work completed and not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. Unbilled revenue are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

Retention receivables included in contract assets represent certified contract payments in respect of works performed for which payments are withheld by customers for retention purposes and the amount retained is withheld on each payment up to a maximum amount calculated on a prescribed percentage of the contract sum.

The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group. The amount of contract assets expected to be recovered/settled over one year is HK\$50,352,000 (31 March 2025 (audited): HK\$67,463,000), all of the remaining balances were expected to be recovered/settled within one year.

As at 30 September 2025, ECL allowance of HK\$3,814,000 was recognised against the gross amount of contract assets (31 March 2025 (audited): HK\$3,790,000).

15. TRADE AND OTHER PAYABLES

	As at 30 September 2025 <i>HK\$'000</i> (unaudited)	As at 31 March 2025 <i>HK\$'000</i> (audited)
Trade payables (<i>note (a)</i>)	114,351	151,834
Accruals and other payables (<i>note (b)</i>)	<u>8,179</u>	<u>5,836</u>
	<u>122,530</u>	<u>157,670</u>

Notes:

- (a) Ageing analysis of trade payables based on the invoices date is as follows:

	As at 30 September 2025 <i>HK\$'000</i> (unaudited)	As at 31 March 2025 <i>HK\$'000</i> (audited)
0–30 days	94,301	125,527
31–60 days	16,140	18,469
61–90 days	3,910	7,474
Over 91 days	–	364
	<u>114,351</u>	<u>151,834</u>

- (b) As at 30 September 2025, accruals and other payables mainly comprised of: (1) accrued professional fee of HK\$1,664,000 (31 March 2025 (audited): HK\$1,608,000); (2) accrued employee benefits of approximately HK\$1,685,000 (31 March 2025 (audited): HK\$1,830,000); and (3) amount due to a director which amounted to HK\$1,509,000 (31 March 2025 (audited): HK\$1,509,000). The amount due is unsecured, interest-free and repayable on demand.

16. SHARE CAPITAL

	<i>Number of shares</i>	<i>HK\$'000</i>
Authorised:		
As at 30 September 2025 (unaudited) and 31 March 2025 (audited)	<u>1,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
As at 30 September 2025 (unaudited) and 31 March 2025 (audited)	<u>288,000,000</u>	<u>28,800</u>

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In the first half of 2025, China's gross domestic product (GDP) reached approximately RMB66.05 trillion, with a year-on-year (YOY) growth of 5.3% calculated at constant prices, demonstrating a stable and positive trend. Hong Kong's economy likewise showed steady performance, with its real GDP expanding by 3.1% YOY in the second quarter.

Turning to the construction sector, while the industry continues to face headwinds, there remain structural reasons for cautious optimism. Labour shortages and cost pressures persist, and the growth rate of Hong Kong's construction industry is expected to slow markedly in 2025, from an estimated 3.7% in 2024 to just around 0.7% in 2025. Even so, Hong Kong's private residential market exhibited robust activity in the first half of 2025, buoyed by a low-interest-rate environment, with transaction volumes showing a notable rebound. At the same time, the public-infrastructure pipeline has continued to expand. The region has prioritised the advancement of the Northern Metropolis initiative over the past six months. Substantial progress has been achieved, particularly in areas including Kwun Tung North and Fanling North, where land formation and foundational infrastructure works have commenced.

Against such a macroeconomic backdrop, the nominal total value of piling and foundation works in Hong Kong reached HK\$4,937 million in the first quarter and HK\$4,801 million in the second quarter of 2025, effectively ending a prolonged period of decline and marking the first sequential increase since 2023.

In addition to its established presence in the construction sector, the Group has strategically diversified into the new energy industry in recent years, which aligns with Hong Kong's accelerating energy transition. According to the official data released in June 2025 by the Transport Department, electric vehicles accounted for 70.5% of all new private car registrations in the first half of the year.

Such market dynamics echo the global electric-mobility wave, particularly the ongoing boom in mainland China. The Hong Kong Government has further accelerated its push into new-energy taxis: its "Green Transformation Roadmap of Public Buses and Taxis" set out measures to subsidise the purchase of 3,000 e-taxis and 600 e-buses, and to install at least 500 fast-chargers throughout the city by the end of 2027.

Together, these measures have created unprecedented momentum in Hong Kong's new-energy vehicle sector, opening up new frontiers of opportunity for supporting infrastructure, charging solutions, and electric-taxi supply chains. The Group, with its combined expertise in construction and energy-transition projects, is well positioned to capture growth arising from this transformation.

BUSINESS REVIEW AND OUTLOOK

The Group is a comprehensive enterprise group serving Hong Kong's construction and infrastructure sector, with decades of experience. The Group's roots in the construction business primarily comprise construction services (specialising in foundations and Micro-Infrastructure Construction) and the trading of construction materials. In recent years, the Group has also explored business opportunities to include the new energy sector, providing new energy vehicle solutions tailored for Hong Kong needs. The Group has established capabilities across a broad spectrum of foundation-related works, including (i) ELS and pile cap construction works; (ii) disposal of excavated materials from piling; and (iii) ancillary services including dismantling of shoring, site formation, steel fixing and site clearance. Kit Kee Engineering Limited ("**Kit Kee Engineering**"), the principal operating subsidiary, is registered with the Construction Industry Council under the Subcontractor Registration Scheme under the sub-register of the structural and civil trade group.

During the Reporting Period, the Group had been awarded 9 projects with an original contract sum of approximately HK\$548.0 million. The Group's revenue during the Reporting Period amounted to approximately HK\$486.3 million, representing an increase of approximately HK\$14.5 million, or 3.1%, compared to that of the corresponding period last year. The Group's gross profit registered an approximately 13.8% or HK\$3.3 million increase, amounting to HK\$27.2 million for the Reporting Period. The Group's net profit amounted to approximately HK\$0.7 million, representing a decrease of approximately HK\$4.9 million, or 87.5%.

Looking ahead, macroeconomic research from CICC Global Institute indicates that as the financial cycle adjustment moderates, the drag exerted by the real estate sector on China's economy is expected to continue diminishing, with the overall macroeconomy maintaining a trajectory of recovery. The October engagement between the leaders of China and the United States yielded positive consensus on critical issues, including tariffs, leading to a discernible easing of tensions and sending a favourable signal for economic development.

As a key financial hub and major transnational trade centre in the Asia-Pacific region, Hong Kong saw active cross-border financial activities against the backdrop of rising global equity markets. A spokesperson for the Hong Kong SAR government stated that the economy is expected to achieve further steady growth throughout the remainder of 2025.

Regarding specific sectors, the latest Hong Kong real estate market research report from Morgan Stanley points out that multiple indicators suggest the residential market is about to end its downturn cycle. It anticipates that house-prices will cease falling and begin rising by 2% during the second half of the year, potentially marking the start of an upcycle lasting four to five years .

Supporting this outlook, the government's fiscal budget reveals that land supply under the 2025/2026 land sale program can accommodate over 13,700 new units. Combined with the Northern Metropolis development plan, these initiatives are expected to generate fresh momentum for property development while also driving improvements in the foundation sector.

Parallel to these developments, Hong Kong's new energy sector is undergoing a critical transition from traditional vehicles to new energy alternatives. This shift is creating substantial opportunities for battery swap and charging infrastructure and electric car distribution. The Chief Executive's recent Policy Address further reinforces this trend by committing fiscal support for green transportation and new energy infrastructure, creating favourable conditions for the Group's expanding business interests in these areas. In this context, the Group's strategic expansion into electric-taxi supply, battery-swapping stations and charging infrastructure places it squarely in the path of a market unfolding at a rare scale.

FINANCIAL REVIEW

Revenue

For the Reporting Period, the revenue of the Group had increased by approximately HK\$14.5 million or approximately 3.1% compared to the corresponding period in 2024, from approximately HK\$471.8 million to approximately HK\$486.3 million. The increase was primarily attributable to the increase in number of sizable projects.

Gross profit and gross profit margin

For the Reporting Period, the direct costs of the Group had increased by approximately HK\$11.1 million or approximately 2.5% compared to the corresponding period in 2024, from approximately HK\$448.0 million to approximately HK\$459.1 million. The gross profit of the Group had increased by approximately HK\$3.3 million or approximately 13.8% compared to the corresponding period in 2024, from approximately HK\$23.9 million to approximately HK\$27.2 million. The Group's gross profit margin for the Reporting Period was approximately 5.6%, as compared with approximately 5.1% in the corresponding period in 2024. The increase in gross profit margin was mainly due to higher profit margin for certain projects with variation orders.

Other gain

Other gain mainly included net gains/losses from changes in fair value on investment property, interest income, net exchange difference and consultancy fee income. For the Reporting Period, other gain had increased by approximately HK\$0.5 million or approximately 41.7% compared to the corresponding period in 2024, from approximately HK\$1.2 million to approximately HK\$1.7 million. The increase in gain was mainly due to the increase of gain from changes in fair value on investment property of approximately HK\$0.4 million compared to the corresponding period in 2024, from loss of approximately HK\$420,000 to gain of approximately HK\$30,000.

Administrative expenses

Administrative expenses mainly included staff costs, professional fee and general office expense. For the Reporting Period, administrative expenses had increased by approximately HK\$8.3 million or approximately 47.2% compared to the corresponding period in 2024, from approximately HK\$17.6 million to approximately HK\$25.9 million. The increase was primarily attributable to the increase in staff costs of approximately HK\$2.1 million, marketing fee of approximately HK\$3.6 million and depreciation expenses of approximately HK\$1.2 million.

Finance costs

For the Reporting Period, finance costs decreased by approximately HK\$1.2 million or approximately 57.1% compared to the corresponding period in 2024, from approximately HK\$2.1 million to approximately HK\$0.9 million. The decrease in finance costs was mainly due to the decrease in average borrowings during the Reporting Period.

Income tax expense

For the Reporting Period, income tax expense increased by approximately HK\$0.5 million or approximately 31.3% compared to the corresponding period in 2024, from approximately HK\$1.6 million to approximately HK\$2.1 million. Such increase was driven by the decrease in deferred tax credit for the Reporting Period.

Net profit

For the Reporting Period, net profit decreased by approximately HK\$4.9 million or approximately 87.5% compared to the corresponding period in 2024, from approximately HK\$5.6 million to approximately HK\$0.7 million. The decrease was primarily due to the impact of the increase in administrative expenses as discussed above.

LIQUIDITY, FINANCIAL POSITION AND CAPITAL STRUCTURE

LIQUIDITY AND FINANCIAL RESOURCE

The Group continued to finance its working capital with internally generated cash flows and bank borrowings.

As at 30 September 2025, the Group had total cash, bank balances and pledged deposits of approximately HK\$71.3 million (31 March 2025: approximately HK\$92.7 million).

As at 30 September 2025, the Group had short-term bank borrowings amounting to approximately HK\$21.3 million (31 March 2025: approximately HK\$30.5 million). The gearing ratio of the Group as at 30 September 2025, calculated by dividing total borrowings (including lease liabilities) by total equity was approximately 11.3% (31 March 2025: approximately 12.0%).

CAPITAL STRUCTURE

As at 30 September 2025 and 31 March 2025, the Company's issued capital was HK\$28.8 million and the number of its issued ordinary shares was 288,000,000 shares of HK\$0.1 each.

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.

CHARGES ON GROUP ASSETS

As at 30 September 2025, the Group had pledged approximately HK\$10.5 million bank deposits (31 March 2025: approximately HK\$10.4 million bank deposits) in order to secure bank facilities granted to Kit Kee Engineering.

EXPOSURE TO FOREIGN EXCHANGE RATE RISKS

Although the Group had bank deposit in RMB, the Group mainly operates in Hong Kong and most of the revenue and transactions arising from its operations were settled in Hong Kong dollars, the Directors are of the view that the Group's foreign exchange rate risks are insignificant. Thus, the Group had not entered into any derivative contracts to hedge against the foreign exchange rate risk during the Reporting Period.

CAPITAL EXPENDITURE

During the Reporting Period, the Group invested approximately HK\$16.8 million in the purchase of property, plant and equipment. All of these capital expenditures were financed by internal resources.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2025, the Group had capital commitments of approximately HK\$3.2 million (31 March 2025: approximately HK\$2.0 million).

As at 30 September 2025 and 31 March 2025, the Group was involved in a number of claims, litigations and potential claims against the Group in relation to work-related injuries and non-compliances. The Directors are of the opinion that the claims, litigations and non-compliances are not expected to have a material impact on the consolidated financial statements, and the outcome for potential claims is uncertain. Accordingly, no provision had been made to the interim results.

SEGMENT INFORMATION

The Board regards the Group's business as a single operating segment and reviews the overall results of the Group as a whole to make decisions about resources allocation. Accordingly, no segment analysis information is presented and no separate analysis of segment information by geographical segment is presented as the Group's revenue and non-current assets are mainly attributable to a single geographical region, which is Hong Kong.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

During the Reporting Period, the Group did not have any significant investment held or any material acquisitions or disposals of subsidiaries, associated companies or joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

The Group did not have any plans for material investments or capital assets during the Reporting Period.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Reporting Period (six months ended 30 September 2024: nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2025, we employed a total of 344 full-time employees (including two executive Directors but excluding three independent non-executive Directors), as compared to a total of 322 full-time employees as at 31 March 2025. The remuneration packages that the Group offers to employees includes salary, discretionary bonuses and other cash subsidies. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of its decisions with respect to salary raises, bonuses and promotions. The total staff costs incurred by the Group for the Reporting Period was approximately HK\$82.4 million compared to approximately HK\$90.7 million for the corresponding period in 2024. Various on-the-job trainings were provided to the employees.

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 was no important event affecting the Group after the Reporting Period and up to the date of this announcement.

CORPORATE GOVERNANCE/OTHER INFORMATION

Interests of Directors and Chief Executive in Shares, Underlying Shares and Debentures of the Company and the Associated Corporations

As at 30 September 2025, the interests and short positions of the Directors or chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which, pursuant to section 352 of the SFO, were entered in the register referred to therein, or were, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), notified to the Company and the Stock Exchange, were as follows:

i. Long Position in the Shares

Name of Director(s)	Capacity/Nature	Number of ordinary shares held/ interested in	Percentage of shareholding
Mr. Yip Yuk Kit	Interest in a controlled corporation (<i>Note</i>)	193,252,326	67.1%

Note: The Company is owned as to 67.1% by Fame Circle Limited. Fame Circle Limited is legally and beneficially owned as to 100% by Mr. Yip. Under the SFO, Mr. Yip is deemed to be interested in the same number of Shares held by Fame Circle Limited.

ii. Long Position in the Shares of Associated Corporation

Name of Director(s)	Name of associated corporation	Capacity/Nature	Number of ordinary shares held/ interested in	Percentage of interest
Mr. Yip Yuk Kit	Fame Circle Limited	Beneficial interest	50,000	100%

Save as disclosed above, as at 30 September 2025, none of the Directors or chief executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which, pursuant to section 352 of the SFO, were entered in the register referred to therein, or were, pursuant to the Model Code, notified to the Company and the Stock Exchange.

Interests of Substantial and Other Shareholders in the Shares and Underlying Shares

As at 30 September 2025, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had or were deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Name	Capacity/Nature	Number of shares held/ interested in	Percentage of interest
Fame Circle Limited	Beneficial interest (<i>Note 1</i>)	193,252,326	67.1%
Ms. Yip Lai Ping	Interest of spouse (<i>Note 2</i>)	193,252,326	67.1%

Notes:

1. Fame Circle Limited is owned as to 100% by Mr. Yip. Mr. Yip is the sole director of Fame Circle Limited. Under the SFO, Mr. Yip is deemed to be interested in the same number of Shares held by Fame Circle Limited.
2. Ms. Yip Lai Ping is the spouse of Mr. Yip. Under the SFO, Ms. Yip Lai Ping is deemed to be interested in the same number of Shares in which Mr. Yip is interested.

Save as disclosed above, as at 30 September 2025, no other person had or were deemed to have any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

Share Option Scheme

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 18 January 2018. Pursuant to the Scheme, certain eligible participants, among others, the Directors of the Company and employees of the Group, may be granted options to subscribe for shares of the Company. The principal terms of the Share Option Scheme are summarised in Appendix V to the Prospectus. The purpose of the Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

The number of options available for grant under the Share Option Scheme as at 1 April 2025 and 30 September 2025 were 12,000,000 and 12,000,000 respectively, representing 4.17% and 4.17% of total issued shares of the Company (excluding treasury shares, if any). As at 30 September 2025, the total number of securities of the Company available for issue under the Share Option Scheme was 12,000,000, representing 4.17% of the issued shares as at the date of the interim report.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 18 January 2018, and there is no outstanding share option as at 30 September 2025.

Purchase, Sale or Redemption of the Company’s Securities

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities.

Directors’ Interests in Contracts of Significance

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the Listing Rules during the Reporting Period and up to the date of this announcement.

Competing Interests

The Directors confirmed that none of the Directors, the Controlling Shareholders of the Company, the substantial shareholders of the Company or their respective close associates are interested in any business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the Reporting Period, or has any other conflict of interests with the Group as required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

Corporate Governance Practices

Compliance with the Corporate Governance Code

The Group recognises the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Group is committed to maintaining good corporate governance to safeguard the interest of shareholders and to achieve effective accountability because the Group believes that is the best way to maximise shareholders' value.

The Company has adopted the corporate governance code (the “**CG code**”) contained in Part 2 of Appendix C1 to the Listing Rules. Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman of the Board (the “**Chairman**”) and the chief executive officer of the Company (the “**Chief Executive Officer**”) should be separate and should not be performed by the same individual. Mr. Yip was the Chairman and Chief Executive Officer during the Reporting Period. As Mr. Yip has been assuming day-to-day responsibilities in operating and managing Kit Kee Engineering since August 1993, the Board is of the view that it is in the best interest of the Group to have Mr. Yip taking up both roles for effective management and business development.

Save for the above deviation, the Board considers that during the Reporting Period, the Company had complied with all of the code provisions set out in the CG Code.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all Directors, all Directors confirmed that they complied with the Model Code and its code of conduct regarding directors' securities transactions at all applicable times during the Reporting Period.

Audit Committee

The Company established an Audit Committee on 18 January 2018 with written terms of reference in compliance with the CG Code. The primary roles of the Audit Committee include, but are not limited to, (a) making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (b) monitoring the integrity of financial statements and annual reports and accounts, half-yearly reports and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgments contained in them; and (c) reviewing the financial controls, internal controls and risk management systems.

The Audit Committee consists of three members who are all independent non-executive Directors, namely, Mr. Chan Wa Shing, Mr. Lee Kwok Lun and Ms. Ding Xin. Mr. Lee Kwok Lun is the Chairman of the Audit Committee.

Review of Interim Results

The interim financial results of the Group for the Review Period are unaudited but have been reviewed and approved by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

Appreciation

The Board would like to take this opportunity to express its sincere gratitude to the management team and staff for their hard work and contributions, and to the shareholders, investors and business partners for their trust and support.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement of the Company is published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.kitkee.com.hk). The interim report of the Company for the Reporting Period containing all the relevant information required by the Listing Rules will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Dragon Rise Group Holdings Limited
Yip Yuk Kit
Chairman and Executive Director

Hong Kong, 27 November 2025

As at the date of this announcement, the Board comprises Mr. Yip Yuk Kit, Mr. Cheung Chun Fai and Mr. Zou Shuji as executive Directors; and Mr. Lee Kwok Lun, Mr. Chan Wa Shing and Ms. Ding Xin as independent non-executive Directors.