



Wing Fung Group Asia Limited

榮豐集團亞洲有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8526

INTERIM REPORT 2025

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*This report, for which the directors (the “**Directors**”) of Wing Fung Group Asia Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively, the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

INTERIM RESULTS

The board of Directors (the “**Board**”) of the Company announces the unaudited condensed consolidated results of the Group for the six months ended 30 June 2025 (the “**Relevant Period**”), together with the comparative unaudited figures for the six months ended 30 June 2024, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
Revenue	3	66,692	78,296
Cost of sales	4	(61,294)	(65,298)
Gross profit		5,398	12,998
Other income, net		64	164
Reversal of (Provision for) impairment losses on trade receivables and contract assets, net	4	481	(381)
Administrative expenses	4	(7,952)	(8,423)
Operating (loss) profit		(2,009)	4,358
Finance costs		(325)	(777)
(Loss) profit before income tax		(2,334)	3,581
Income tax expense	5	(334)	(1,266)
(Loss) profit for the period		(2,668)	2,315
Other comprehensive income (expenses) for the period, net of tax			
Item that may be reclassified to profit or loss:			
– Exchange differences on translation of a foreign operation		2	(2)
Total comprehensive (expenses) income for the period		(2,666)	2,313
Basic and diluted (loss) earnings per share for (loss) profit attributable to the ordinary equity holders of the Company			
(HK cents per share)	7	(1.64)	1.43

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	770	313
Right-of-use assets		117	170
Deferred income tax assets		8,481	8,815
		9,368	9,298
Current assets			
Contract assets		71,024	62,905
Trade and other receivables, deposits and prepayments	9	19,222	29,987
Pledged bank deposits	10	–	7,352
Cash and cash equivalents	10	10,827	16,576
		101,073	116,820
Total assets		110,441	126,118
LIABILITIES			
Non-current liabilities			
Lease liabilities		3	56
		3	56
Current liabilities			
Trade and retention payables	11	24,334	30,075
Other payables and accrued expenses		2,541	3,976
Lease liabilities		108	108
Bank borrowings	12	19,383	25,165
		46,366	59,324
Total liabilities		46,369	59,380
Net assets		64,072	66,738
EQUITY			
Share capital	13	6,490	6,490
Reserves		57,582	60,248
Total equity		64,072	66,738

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<i>Notes</i>		
Net cash (used in) from operating activities	(6,994)	676
Net cash from investing activities	7,383	1,992
Net cash from (used in) financing activities	708	(3,869)
Net increase in cash and cash equivalents	1,097	(1,201)
Cash and cash equivalents at the beginning of the reporting period	9,728	(3,961)
Effects of exchange rate changes on cash and cash equivalents	2	(1)
Cash and cash equivalents at the end of the reporting period (net of overdrafts)	10,827	(5,163)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2025

	Share capital HK\$'000	Share premium HK\$'000	Exchange translation reserve HK\$'000	Capital reserve HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
Six months ended 30 June 2025							
Balance at 1 January 2025 (Audited)	6,490	50,549	(873)	11,676	(12,941)	11,837	66,738
Loss for the period	-	-	-	-	-	(2,668)	(2,668)
Other comprehensive income							
– Item that may be reclassified to profit or loss							
Exchange differences arising on translation of a foreign operation	-	-	2	-	-	-	2
Total comprehensive income (expenses) for the period	-	-	2	-	-	(2,668)	(2,666)
Balance at 30 June 2025 (Unaudited)	6,490	50,549	(871)	11,676	(12,941)	9,169	64,072
Six months ended 30 June 2024							
Balance at 1 January 2024 (Audited)	6,490	50,549	(875)	11,676	(12,941)	10,764	65,663
Profit for the period	-	-	-	-	-	2,315	2,315
Other comprehensive expenses							
– Item that may be reclassified to profit or loss							
Exchange differences arising on translation of a foreign operation	-	-	(2)	-	-	-	(2)
Total comprehensive (expenses) income for the period	-	-	(2)	-	-	2,315	2,313
Balance at 30 June 2024 (Unaudited)	6,490	50,549	(877)	11,676	(12,941)	13,079	67,976

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Six months ended 30 June 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 29 September 2016 as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is 71 Fort Street, PO Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands. The principal place of business is Unit D, 21st Floor, Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

The Company is an investment holding company and the Group is principally engaged in the provision of supply, installation and fitting-out services of mechanical ventilation and air-conditioning ("**MVAC**") system for buildings. The Company's immediate and ultimate holding company is Wing Fung Capital Limited, a private company incorporated in the British Virgin Islands.

The unaudited condensed consolidated financial statements for the Relevant Period (the "**Interim Financial Statements**") are presented in Hong Kong dollars ("**HK\$**"), which is the functional currency of the Company.

The Company listed its shares on GEM of the Stock Exchange on 27 February 2018 (the "**Listing**").

The Interim Financial Statements have not been audited but have been reviewed by the audit committee of the Company.

2. BASIS OF PREPARATION

The Interim Financial Statements of the Company have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34), *Interim Financial Reporting* issued by Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules. The Interim Financial Statements have been prepared under the historical cost convention.

The preparation of the Interim Financial Statements requires the Company's management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Other than changes in accounting policies resulting from application of new and amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the Interim Financial Statements are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024.

The application of the new and amendments to HKFRS Accounting Standards in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in the Interim Financial Statements.

The Group has not early applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective.

3. REVENUE AND SEGMENT INFORMATION

The Group’s revenue is derived from the provision of supply, installation, and fitting-out services of MVAC system for buildings to external customers in Hong Kong and Macau during the period. For the purposes of resources allocation and performance assessment, the chief operating decision maker reviews the overall results and financial position of the Group as a whole prepared based on the accounting policies. The Group has only one single operating segment and no further analysis of this single segment is presented.

	Six months ended 30 June 2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Revenue from construction contracts	66,692	78,296

The Group’s revenue is recognised over time for the six months ended 30 June 2025 and 2024.

Geographical information

The following table provides an analysis of the Group's revenue from external customers based on geographical location of the customers:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Hong Kong	65,609	77,020
Macau	1,083	1,276
	66,692	78,296

Information about major customers

Revenue from customers contributing over 10% of total revenue of the Group are as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Customer A	49,767	61,543
Customer B	11,143	14,221

4. EXPENSES BY NATURE

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Costs of materials	16,871	26,518
Subcontractor costs	38,707	33,102
Employee benefit expenses		
–Directors' remuneration	3,186	3,185
–Direct labour	4,803	4,187
–Administrative staff	1,698	1,574
(Reversal of) Provision for impairment losses on trade receivables, net	(262)	118
(Reversal of) Provision for impairment losses on contract assets, net	(219)	263
Auditor's remuneration		
–Audit services	355	355
–Non-audit and other services	53	11

5. INCOME TAX EXPENSE

The amount of income tax expense charged to the unaudited condensed consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current income tax:		
Hong Kong profits tax	—	—
Macau complementary tax		
Under provision in prior years	—	198
	—	198
Deferred income tax	334	1,068
Income tax expense	334	1,266

(i) Hong Kong profits tax

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25% (six months ended 30 June 2024: 8.25%), and profits above HK\$2 million will be taxed at 16.5% (six months ended 30 June 2024: 16.5%). The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (six months ended 30 June 2024: 16.5%).

(ii) Macau Complementary Tax

Pursuant to a tax incentive approved under Section 23 of Decree Law No. 25/2024, Macau Complementary Tax is levied at a fixed rate of 12% (six months ended 30 June 2024: 12%) on the taxable income above Macau Pataca (“**MOP**”) 600,000 (approximately HK\$582,000) of the Group’s operations in Macau.

6. DIVIDENDS

The Board did not recommend the payment of any dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

7. BASIC AND DILUTED (LOSS) EARNINGS PER SHARE

Basic (loss) earnings per share is calculated by dividing the (loss) profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
(Loss) profit attributable to owners of the Company (in HK\$'000)	(2,668)	2,315
Weighted average number of ordinary shares in issue	162,250,000	162,250,000
Basic (loss) earnings per share (HK cents per share)	(1.64)	1.43

Diluted (loss) earnings per share is equal to the basic (loss) earnings per share since the Company has no dilutive potential shares during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

8. PROPERTY, PLANT AND EQUIPMENT

During the Relevant Period, additions to property, plant and equipment amounted to HK\$512,000 (six months ended 30 June 2024: Nil).

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Trade receivables (<i>Note i</i>)	15,722	29,692
Less: Provision for impairment loss allowance	(1,916)	(2,178)
	13,806	27,514
Other receivables and deposits	1,068	1,017
Prepayments	4,348	1,456
	19,222	29,987

(i) Trade receivables

Trade receivables arise from the provision of supply, installation and fitting-out services of MVAC system for buildings. The Group grants a credit period ranged from 30 to 45 days to its customers. The following is an aging analysis of trade receivables based on valuation dates of payment certificates or reports net of provision for impairment loss allowance at the end of the reporting period:

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
0 to 30 days	9,540	9,235
31 to 60 days	—	5,072
61 to 90 days	4,048	8,928
91 to 180 days	136	728
181 to 365 days	82	—
Over 1 year	—	3,551
	13,806	27,514

The fair value of trade receivables approximate their carrying values.

10. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Pledged bank deposits	—	7,352
Cash and cash equivalents	10,827	16,576
Bank overdrafts (<i>Note 12</i>)	—	(6,848)
	10,827	9,728

The pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group (including overdraft and trade facilities) with maturity within one year from the end of the reporting period and is therefore classified as a current asset. The pledged bank deposits carried interest at a fixed rate at 3.80% per annum at 31 December 2024.

11. TRADE AND RETENTION PAYABLES

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Trade payables	16,386	21,714
Retention payables	7,948	8,361
	24,334	30,075

The credit period of trade payables granted by subcontractors and suppliers ranges from 30 to 60 days upon the issue of invoices or application of interim payment generally.

The following is an aging analysis of trade payables based on the invoice dates or the dates of application of interim payment, as appropriate.

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
0 to 30 days	9,365	10,173
31 to 60 days	2,978	5,163
61 to 90 days	1,119	3,916
91 to 180 days	363	1,628
181 days to 1 year	1,774	47
Over 1 year	787	787
	16,386	21,714

12. BANK BORROWINGS

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Secured:		
– Bank borrowings	19,383	18,317
– Bank overdrafts	–	6,848
	19,383	25,165

The fair value of the bank borrowings approximates their carrying amount as the impact of discounting is not significant.

The bank borrowings and overdrafts due for repayment are as follows:

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
On demand or within one year	19,383	25,165

The bank borrowings at 30 June 2025 carried interest either at 2.5% below Hong Kong Prime Rate or at Hong Kong Prime Rate plus interest rate at 0.5% (31 December 2024: at 2.5% below Hong Kong Prime Rate or at Hong Kong Prime Rate plus interest rate at 0.5%). The effective interest rate on the bank borrowings (which is also equal to contracted interest rate) is ranging from 3.0% to 6.0% per annum (31 December 2024: 3.0% to 6.625% per annum). The bank overdrafts at 31 December 2024 carried interest at Hong Kong Prime Rate and the effective interest rate is ranging from 5.5% to 6.125% per annum. The Group's bank borrowings are denominated in HK\$.

At 30 June 2025 and 31 December 2024 , a bank borrowing is secured by a corporate guarantee of HK\$47,971,000 given by the Company, by personal guarantee of a director, Mr. Chung Chi Keung (“**Mr. Chung**”) of HK\$30,000,000 and the property held by a director, Mr. Chung. Another bank borrowing is secured by personal guarantee of a director, Mr. Chung of HK\$9,000,000.

Analysis of the amounts due based on scheduled payment dates set out in the loan agreements (ignoring the effect of any repayment on demand clause) is as follows:

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Within one year	12,245	17,565
1 to 2 years	943	929
2 to 5 years	3,004	2,960
Over 5 years	3,191	3,711
	19,383	25,165

13. SHARE CAPITAL

The Company’s authorised and issued ordinary share capital are as follows:

	Nominal value per share	Number of shares	Total HK\$'000
Authorised:			
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	HK\$0.04	25,000,000,000	1,000,000
Issued and fully paid:			
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	HK\$0.04	162,250,000	6,490

14. CONTINGENCIES

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Corporate guarantee (<i>Note a</i>)	13,853	13,853

Note:

- (a) At 30 June 2025, the Group provided corporate guarantee amounted to approximately HK\$13,853,000 (31 December 2024: HK\$13,853,000) to one (31 December 2024: one) customer as an indemnity for four (31 December 2024: four) construction contracts. During six months ended 30 June 2025 and the year ended 31 December 2024, no corporate guarantee was being enforced. Typically, the estimated consideration is not constrained for revenue recognition.

15. RELATED PARTY DISCLOSURES

Key management personnel are deemed to be the members of the board of directors and senior management of the Company who have the responsibility for the planning and controlling the activities of the Group. The remuneration of directors and one member (six months ended 30 June 2024: one member) during the period is as follows:

	Six months ended 30 June 2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Salaries and other benefits	3,389	3,380
Contribution to retirement benefits scheme	27	27
	3,416	3,407

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged as a subcontractor for the provision of supply, installation and fitting-out services of MVAC system for various types of private and public building projects including infrastructural, commercial and residential building projects in Hong Kong and Macau.

During the Relevant Period, despite steady recovery signs in both the local and global economies, the overall market sentiment in Hong Kong's construction sector had remained weak. The absence of major new construction projects intensified competition in the construction industry. On-going challenges such as heightened financial costs, soft demand and oversupply in both commercial and residential sectors, shortage of skilled labour, inflationary pressure and project delays continued to impact the local market, thereby exacerbating the industry's strategic challenges and outlook. Despite intense competition in the local market, leveraging on its solid foundation in MVAC industry, the Group secured, amongst other projects, a new project with an initial contract sum exceeding HK\$175 million in July 2025.

During the Relevant Period, the Group recorded a loss of approximately HK\$2.7 million as compared to a profit of approximately HK\$2.3 million in the corresponding period in 2024. The loss during the Relevant Period was mainly due to (i) decrease in revenue of approximately HK\$11.6 million as a result of delay in projects amid the sluggish economy; and (ii) the prolonged completion of various projects of the Group leading to overrun of project costs. As mentioned in the announcements of the Company dated 15 August 2024 and 20 March 2025, a new project was awarded to the Group with an initial contract sum exceeding HK\$383 million in March 2024 ("**New Project**"). While the Group has adopted a pragmatic and resilient approach focusing on quality assurance in project management, and stringent cost control measures, any delay of the New Project may potentially affect the financial results of the Group for the year ending 31 December 2025. The Group will continue to regularly and closely monitor the progress of its ongoing projects and will continue to identify suitable tender opportunities and submit tenders for potential projects to maximise the Group's profits and return to its shareholders.

Looking ahead, the Group maintains a cautious outlook for the year 2025 and will continue to explore cooperation with new customers and derive new revenue streams, and optimise resource utilisation and efficiencies in order to maximise return to our shareholders. In addition to the above, the Group continues to explore other investment opportunities in the future. Nonetheless, the Group will stay vigilant by constantly reviewing its business and tendering strategies and enhancing its operational efficiency and financial performance.

FINANCIAL REVIEW

Revenue

Our revenue decreased by approximately HK\$11.6 million, from approximately HK\$78.3 million for the six months ended 30 June 2024 to approximately HK\$66.7 million for the Relevant Period, representing a decrease of approximately 14.8%. In particular, while the Group recorded (i) an increase in revenue of approximately HK\$21.1 million from new projects (in particular a new project located at Wong Chuk Hang); and (ii) an increase in revenue of approximately HK\$3.5 million due to the increase in the amount of work under our existing projects as compared with the six months ended 30 June 2024 (in particular, a project located at Tseung Kwan O), the aforesaid increments were offset by (i) a decrease in revenue of approximately HK\$0.8 million resulting from the completion of certain projects during the Relevant Period; and (ii) a decrease in revenue of approximately HK\$35.4 million due to the decrease in the amount of work under our existing projects as compared with the six months ended 30 June 2024 (in particular, a project located at Kai Tak and a project located at Chek Lap Kok together accounted for a decrease in revenue of approximately HK\$34.4 million).

Cost of Sales

Our cost of sales decreased from approximately HK\$65.3 million for the six months ended 30 June 2024 to approximately HK\$61.3 million for the Relevant Period, representing a decrease of approximately 6.1%. The decrease was mainly attributable to the decrease in costs of materials, offset by the increase in subcontractor costs mainly in the prolonged completion of certain projects.

Gross Profit and Gross Profit Margin

Our gross profit decreased by approximately HK\$7.6 million from approximately HK\$13.0 million for the six months ended 30 June 2024 to approximately HK\$5.4 million for the Relevant Period. The gross profit margin decreased from approximately 16.6% for the six months ended 30 June 2024 to approximately 8.1% for the Relevant Period. The decrease in gross profit and gross profit margin was primarily attributable to the prolonged completion of certain projects of the Group leading to overrun of project costs.

Administrative Expenses

Our administrative expenses decreased by approximately HK\$0.4 million, or approximately 4.8%, from approximately HK\$8.4 million for the six months ended 30 June 2024 to approximately HK\$8.0 million for the Relevant Period, mainly attributable to the decrease in the legal and professional fees.

Income Tax Expense

Our income tax expense decreased by approximately HK\$1.0 million, or approximately 76.9%, from approximately HK\$1.3 million for the six months ended 30 June 2024 to approximately HK\$0.3 million for the Relevant Period, mainly attributable to the decrease in deferred income tax resulting from the decrease in utilisation of tax loss brought forward from prior years.

Loss/Profit for the Period

As a result of the foregoing, our Group recognised a loss of approximately HK\$2.7 million for the Relevant Period as compared with a profit of approximately HK\$2.3 million for the corresponding period in 2024.

Liquidity and Financial Resources

As at 30 June 2025, the Group had total assets of approximately HK\$110.4 million (31 December 2024: approximately HK\$126.1 million), which is financed by total liabilities and shareholders' equity (comprising share capital and reserves) of approximately HK\$46.4 million (31 December 2024: approximately HK\$59.4 million) and approximately HK\$64.0 million (31 December 2024: approximately HK\$66.7 million), respectively.

The total interest-bearing borrowings (including bank borrowings and bank overdrafts) of the Group decreased from approximately HK\$25.2 million as at 31 December 2024 to approximately HK\$19.4 million as at 30 June 2025. Current ratio increased from 2.0 times as at 31 December 2024 to approximately 2.2 times as at 30 June 2025.

The Group's borrowing and bank balances are mainly denominated in Hong Kong dollars and there was no significant exposure to foreign exchange rate fluctuations during the Relevant Period.

The Group's gearing ratio, which is calculated by dividing the total interest-bearing borrowings and lease liabilities by total equity at the respective reporting date, decreased from approximately 38.0% as at 31 December 2024 to approximately 30.4% as at 30 June 2025, primarily due to the combined effect of (i) the decrease in the total interest-bearing borrowings; and (ii) the decrease in total equity resulting from the decrease in retained profits attributable to recording a net loss for the Relevant Period.

Capital Structure

The shares of the Company (the **"Shares"**) were successfully listed on GEM of the Stock Exchange on 27 February 2018. Immediately upon Listing, the total issued share capital of the Company was HK\$5,740,000 divided into 574,000,000 Shares of par value of HK\$0.01 each.

On 19 November 2021, 75,000,000 shares of par value HK\$0.01 each of the Company were issued at a price of HK\$0.144 by way of placing under general mandate (the **"Placing"**). For further information in relation to the Placing, please refer to the announcements of the Company dated 22 October 2021, 12 November 2021 and 19 November 2021.

On 21 January 2022, every four (4) issued and unissued existing shares of the Company of par value HK\$0.01 each in the share capital of the Company were consolidated into one (1) consolidated share of par value HK\$0.04 each in the share capital of the Company.

As at 30 June 2025, the Company's issued share capital was HK\$6,490,000 (31 December 2024: HK\$6,490,000) divided into 162,250,000 (31 December 2024: 162,250,000) ordinary Shares of par value of HK\$0.04 (31 December 2024: HK\$0.04) each.

Capital Commitments

As at 30 June 2025 and 31 December 2024, the Group did not have any capital commitments contracted but not provided for.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this report, the Group did not have any plans for material investments or capital assets as at 30 June 2025.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Relevant Period, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

Contingent Liabilities

Save as disclosed in note 14 of the notes to the unaudited condensed consolidated financial statements, as at 30 June 2025 and 31 December 2024, the Group did not have other material contingent liabilities.

Foreign Exchange Exposure

The Group's revenue generating operations are mainly transacted in HK\$ and MOP. The Directors consider the impact of foreign exchange exposure to the Group is minimal and the Group did not engage in any derivatives agreements nor commit to any financial instrument to hedge its foreign exchange exposure during the Relevant Period.

Pledge of Assets

Save for the pledged bank deposits as disclosed in note 10 of the notes to the unaudited condensed consolidated financial statements, as at 30 June 2025 and 31 December 2024, the Group did not have other pledge of assets.

Employees and Remuneration Policies

As at 30 June 2025, the Group employed a total of 254 employees, of whom 207 were labour workers nominated by subcontractors. The relevant cost of employing the labour workers nominated by subcontractors was classified as subcontracting charges and the staff costs, including Directors' emoluments, of the Group were approximately HK\$9.7 million for the Relevant Period (six months ended 30 June 2024: approximately HK\$8.9 million).

The Group promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff, competitive remuneration package is offered to employees (with reference to market norms and individual employees' performance, qualification and experience). On top of basic salaries, bonuses may be paid with reference to the Group's performance as well as individual's performance. Other staff benefits include provision of retirement benefits, medical benefits and sponsorship of training courses.

DIVIDENDS

The Board did not recommend the payment of any dividend for the Relevant Period (six months ended 30 June 2024: Nil).

EVENTS AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 30 June 2025 and up to the date of this report.

DISCLOSURE OF INTERESTS

(I) Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares or Debentures

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, the underlying Shares or debentures of the Company or any of its 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 required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests or short positions which any such director or chief executive was taken or deemed to have under such provision of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to standard of dealings by Directors referred in Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Capacity/Nature of Interest	Number of the Shares held/ interested in	Long/short position	Percentage of Shareholding
Mr. Chung	Interest in controlled corporation (Note)	83,062,500	Long position	51.19%

Note: The 83,062,500 Shares are held by Wing Fung Capital Limited, which is an associated corporation of the Company and wholly-owned by Mr. Chung. Therefore, Mr. Chung is deemed to be interested in all the Shares held by Wing Fung Capital Limited for the purposes of the SFO. Mr. Chung is our executive Director, Chairman and Chief Executive Officer and the controlling shareholder of the Company.

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive of the Company had registered any interests and 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) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

(II) Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares, Underlying Shares or Debentures

So far as the Directors are aware, as at 30 June 2025, the following person/entity (other than the Directors and chief executive of the Company) had or was deemed to have taken an interest or short position in the Shares or underlying Shares which was recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules.

Name of Shareholder	Capacity/Nature of Interest	Number of the Shares held/ interested in	Long/short position	Percentage of Shareholding
Wing Fung Capital Limited	Beneficial owner	83,062,500	Long position	51.19%

Save as disclosed above, as at 30 June 2025, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares or Debentures" above, had notified the Company of an interest or short position in the Shares, underlying Shares or debenture of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the Relevant Period was the Company or any of its associated corporation a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of the Shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age of 18, had any right to subscribe for the Shares in, or debentures of, the Company, or had exercised any such rights.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

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

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted a code of conduct regarding securities transactions by the Directors on the terms no less exacting than the required standard of dealing set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of all the Directors and all Directors confirmed that they had complied with the required standard of securities dealings regarding transactions during the Relevant Period. The Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the Relevant Period.

CORPORATE GOVERNANCE CODE

The Directors and the management of the Group recognise the importance of sound corporate governance to the long-term success and continuing development of the Group. Therefore, the Board is committed to upholding good corporate standards and procedures, so as to enhance the accountability system and transparency of the Group, protect the interests of the Company's stakeholders and create value for shareholders of the Company.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the GEM Listing Rules. Throughout the Relevant Period, the Company has adopted and complied with, where applicable, the CG Code to ensure that the Group's business activities and decision-making processes are regulated in a proper and prudent manner, except for Code Provision C.2.1 of the CG Code.

Pursuant to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Chung is currently the chairman of the Board and the chief executive officer of the Company, responsible for formulating the overall business strategies and overseeing the business and operation of the Group. Considering that Mr. Chung has been responsible for the overall management and operation of the Group since its inception, the Board believes that it is in the best interest of the Group to have Mr. Chung taking up both roles for effective management and business development.

Save as disclosed above, the Board considered that the Company has complied with, where applicable, the CG Code during the Relevant Period.

COMPETING INTEREST

The Directors are not aware of any business or interest of the Directors or the Controlling Shareholders (as defined in the GEM Listing Rules) of the Company or any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the Relevant Period.

AUDIT COMMITTEE

The Group has established an audit committee of the Board (the "**Audit Committee**") in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to make recommendations to the Board on appointment or re-appointment and removal of external auditor; review financial statements of our Company and judgments in respect of financial reporting; and oversee the effectiveness of the procedures of the risk management and internal control procedures of the Group.

The Audit Committee currently consists of all three of our independent non-executive Directors, namely Mr. Choy Hiu Fai Eric (“**Mr. Choy**”), Mr. Lei For and Mr. Chan King Lun (“**Mr. Chan**”). Mr. Choy is the chairman of the Audit Committee and holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules.

The terms of reference of the Audit Committee are posted on the websites of the Stock Exchange and the Company. The unaudited condensed consolidated results of the Group for the Relevant Period had been reviewed by the Audit Committee, which was of the opinion that the unaudited condensed consolidated results have been prepared in compliance with the applicable accounting standards and the GEM Listing Rules, and that adequate disclosures have been made.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group’s financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group’s businesses. The management of the Company considers that the following are the principal risks and uncertainties faced by the Group:

- (i) the outbreak of any pandemic could adversely affect the Group’s business operations and financial performance by potentially causing suspension of works, delay in delivery of construction materials, increase in material and logistics costs and other interruption to the operation of the Group;
- (ii) the business of the Group relies on successful tenders and any failure of the Group to secure tender contracts would affect sustainability of our revenue streams and adversely affect the operations and financial results of the Group;
- (iii) erroneous or inaccurate estimation of project duration and the costs involved for the determination of tender price may adversely affect the profitability and financial performance of the Group;
- (iv) cost overrun, any delay in project schedule or defects of the works of the suppliers and subcontractors of the Group could adversely affect its operations and financial results;
- (v) reliance on major customers for a significant portion of the Group’s revenue may expose the Group to credit and liquidity risks of such major customers and may have impact on the Group’s cash flow and financial conditions; and

- (vi) reliance on key management for the Group's operation may subject the Group to material adverse effect on business operation and profitability in case of departure of members of the key management team without timely and appropriate replacement.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, changes of Directors' information subsequent to the date of the annual report of the Company for the year ended 31 December 2024 is set out below:

1. Mr. Lai Wai Ming has resigned as an independent non-executive Director, the chairman of Remuneration Committee, a member of each of the Audit Committee and the Nomination Committee with effect from 27 June 2025.
2. Mr. Chan has been appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee with effect from 27 June 2025.
3. Ms. Lai Suk Fan, executive Director, has been appointed as a member of the Nomination Committee with effect from 27 June 2025.
4. Mr. Chung, executive Director, has ceased to be a member of the Nomination Committee with effect from 27 June 2025.

By order of the Board
Wing Fung Group Asia Limited
Chung Chi Keung
*Chairman, Chief Executive Officer
and Executive Director*

Hong Kong, 21 August 2025

As at the date of this report, the executive Directors are Mr. Chung Chi Keung and Ms. Lai Suk Fan; and the independent non-executive Directors are Mr. Choy Hiu Fai Eric, Mr. Lei For and Mr. Chan King Lun.

This report will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for at least seven days from the date of its publication. This report will also be published on the Company's website at www.wingfunggroup.com.