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FDB HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1826)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the “**Board**”) of directors (the “**Directors**”) of FDB Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 June 2024. This announcement, containing the full text of the 2024 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of interim results.

By order of the Board
FDB Holdings Limited
Ng Kin Siu

*Chairman of the Board and
chief executive officer*

Hong Kong, 27 August 2024

As at the date of this announcement, the Board comprises Mr. Ng Kin Siu (Chairman and chief executive officer) as executive Director; Mr. Chan Yuk Sang, Mr. Lau Kwok Fai Patrick and Mr. Wong Chun Wah Kelvin as independent non-executive Directors.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director:

Mr. Ng Kin Siu
(Chairman and Chief executive officer)

Independent non-executive Directors:

Mr. Chan Yuk Sang
Mr. Lau Kwok Fai Patrick
Mr. Wong Chun Wah Kelvin

COMPANY SECRETARY

Mr. Yu Tsz Ngo

AUTHORISED REPRESENTATIVES

Mr. Ng Kin Siu
Mr. Yu Tsz Ngo

AUDIT COMMITTEE

Mr. Lau Kwok Fai Patrick *(Chairman)*
Mr. Chan Yuk Sang
Mr. Wong Chun Wah Kelvin

REMUNERATION COMMITTEE

Mr. Ng Kin Siu *(Chairman)*
Mr. Chan Yuk Sang
Mr. Wong Chun Wah Kelvin

NOMINATION COMMITTEE

Mr. Ng Kin Siu *(Chairman)*
Mr. Chan Yuk Sang
Mr. Lau Kwok Fai Patrick
Mr. Wong Chun Wah Kelvin

AUDITORS

CWK CPA Limited
Certified Public Accountants
Registered Public Interest Entity
Auditor
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Central, Hong Kong

REGISTERED OFFICE

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Grand Cayman, KY1-1111
Cayman Islands

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Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman)
Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17th Floor
Far East Finance Centre
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Hong Kong

PRINCIPAL BANKERS

O-Bank Co., Ltd
Bank of China (Hong Kong) Limited
The Bank of East Asia, Limited
Industrial and Commercial Bank of
China (Asia) Limited

WEBSITE ADDRESS

www.fdbhk.com

STOCK CODE

01826

FINANCIAL HIGHLIGHTS

The board (the “**Board**”) of directors (the “**Directors**”) of FDB Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Relevant Period**”), together with the unaudited comparative figures for the corresponding period in 2023.

	For the six months ended 30 June		
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	Change %
Revenue	266,253	67,572	294.0%
Gross profit/(loss)	14,485	(5,347)	N/A
Profit/(loss) for the period	5,254	(12,409)	N/A
Earnings/(loss) per share	HK0.4 cents	(HK0.9 cents)	N/A

- The Group’s revenue amounted to approximately HK\$266.3 million for the Relevant Period, representing an increase of approximately HK\$198.7 million or approximately 294.0% as compared with the six months ended 30 June 2023.
- The profit attributable to owners of the Company is approximately HK\$5.3 million for the Relevant Period, as compared with loss attributable to owners of the Company of HK\$12.4 million for the six months ended 30 June 2023.
- The Board does not recommend the payment of an interim dividend for the Relevant Period.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		Six months ended 30 June	
		2024	2023
Notes		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
	Revenue	266,253	67,572
	Cost of services	(251,768)	(72,919)
	Gross profit/(loss)	14,485	(5,347)
	Other income	119	132
	Share of results from joint venture	516	–
	(Impairment losses)/reversal of impairment losses under expected credit losses (“ECL”) model, net	(1,658)	684
	Administrative expenses	(7,551)	(7,805)
	Finance costs	(658)	(73)
	Profit/(loss) before tax	5,254	(12,409)
	Profit/(loss) for the period	5,254	(12,409)
	Total comprehensive income/(expense) for the period	5,254	(12,409)

		Six months ended 30 June	
	<i>Notes</i>	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Profit/(loss) for the period attributable to owners of the Company		5,254	(12,409)
Total comprehensive income/(expense) for the period attributable to owners of the Company		5,254	(12,409)
Earnings/(loss) per share, basic and diluted (HK cents)	10	0.4	(0.9)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		30 June 2024	31 December 2023
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Non-current assets			
Interest in joint venture		516	–
Property, plant and equipment		496	574
Right-of-use assets		2,440	3,889
		3,453	4,463
Current assets			
Contract assets	11	82,285	49,043
Trade and other receivables	12	91,436	84,415
Pledged deposits		12,165	23,403
Bank balances and cash		20,063	35,208
		205,950	192,069
Current liabilities			
Trade and other payables	13	144,114	144,635
Contract liabilities		8,260	21,875
Amount due to a shareholder	14	9,500	15,500
Amount due to a joint venture		37,189	11,995
Lease liabilities		2,151	2,917
Bank borrowings		4,427	–
		205,641	196,922
Net current assets/(liabilities)		309	(4,853)
Total assets less current liabilities		3,761	(390)

		30 June 2024	31 December 2023
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Non-current liabilities			
Bank borrowings		8,573	9,000
Deferred tax liabilities		20	20
Lease liabilities		330	1,006
		8,924	10,026
Net liabilities			
		(5,162)	(10,416)
Capital and reserves			
Share capital	15	13,320	13,320
Reserves		(18,482)	(23,736)
Total deficit			
		(5,162)	(10,416)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company					
	Share capital	Share premium	Other reserve	Translation reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023 (audited)	13,320	145,939	1,000	2,824	(114,215)	48,868
Loss and other comprehensive expense for the period	—	—	—	—	(12,409)	(12,409)
Total comprehensive expense for the period	—	—	—	—	(12,409)	(12,409)
At 30 June 2023 (unaudited)	13,320	145,939	1,000	2,824	(126,624)	36,459
At 1 January 2024 (audited)	13,230	145,939	1,000	2,824	(173,499)	(10,416)
Profit and other comprehensive income for the period	—	—	—	—	5,254	5,254
Total comprehensive income for the period	—	—	—	—	5,254	5,254
At 30 June 2024 (unaudited)	13,230	145,939	1,000	2,824	(168,245)	(5,162)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
OPERATING ACTIVITIES		
Profit/(loss) before tax	5,254	(12,409)
	5,254	(12,409)
Adjustments for:		
Finance cost	658	–
Depreciation of property, plant and equipment	87	80
Depreciation of right-of-use assets	1,448	1,215
Impairment losses/(reversal of impairment losses) under ECL model, net	1,658	(683)
Share of results from joint ventures	516	–
Other non-cash adjustments	(7)	23
Operating cash flows before movements in working capital	9,614	(11,774)
(Increase)/decrease in trade and other receivables	(7,305)	22,114
(Increase)/decrease in contract assets	(34,616)	21,411
Decrease in trade and other payables	(13,615)	(61,709)
(Decrease)/increase in contract liabilities	(521)	1,074
NET CASH USED IN OPERATING ACTIVITIES	(46,443)	(28,884)

Six months ended 30 June

	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
INVESTING ACTIVITIES		
Withdrawal of pledged bank deposits	16,238	–
Interest received	6	50
Placement of pledged bank deposits	(5,000)	(35)
Purchase of property, plant and equipment	(9)	(6)
Initial payment of acquiring right-of-use assets	–	(5)
NET CASH GENERATED FROM INVESTING ACTIVITIES	11,235	4
FINANCING ACTIVITIES		
Advance from joint ventures	134,042	–
Advances from a shareholder	6,500	913
Drawdown of bank loan	4,000	–
Repayment to joint ventures	(109,879)	–
Repayment to a shareholder	(12,500)	(113)
Repayment of lease liabilities	(1,442)	(1,201)
Interest paid	(658)	(73)
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	20,063	(474)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(15,145)	(29,354)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	35,208	31,589
	20,063	2,235
CASH AND CASH EQUIVALENTS AS AT 30 JUNE, represented by bank balances and cash	20,063	2,235

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. GENERAL INFORMATION

Corporate information

FDB Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 19 March 2015. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Its immediate holding company is Masterveyor Holdings Limited (“**Masterveyor**”), a company incorporated in the British Virgin Islands. Its ultimate controlling shareholder is Mr. Ng Kin Siu (“**Mr. Ng**”), who is an executive director, chief executive officer of the Company and chairman of the Board.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the provision of contracting business and project management.

The condensed consolidated financial statements are presented in Hong Kong Dollar (“**HK\$**”) to suit the needs of the shareholders and investors. All values are rounded to the nearest thousand except when otherwise stated.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at revaluated amounts or fair values. The accounting policies used in preparing the interim financial statements are consistent with those used in the Group’s annual financial statements for the year ended 31 December 2023 (the “**2023 Financial Statements**”), except for the new and revised Hong Kong Financial Reporting Standards, amendments and interpretations (collectively “**new and revised HKFRSs**”) issued by HKICPA which have become effective in this period as detailed in note 2 of the 2023 Financial Statements. The adoption of such new and revised HKFRSs has no material impact on the accounting policies in the Group’s interim financial statements for the period.

4. REVENUE AND SEGMENT INFORMATION

The Group recognises revenue from contracting business and project management (the “Contracting service”).

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Types of service		
Contracting service	266,253	67,572
Geographical markets		
Hong Kong	266,253	67,572
Timing of revenue recognition		
Over time	266,253	67,572

Information reported to the executive director of the Company, being the chief operating decision maker (“CODM”) for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group’s resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

All of the Group’s activities are carried out in Hong Kong and all of the Group’s assets and liabilities are located in Hong Kong. Accordingly, no analysis by geographical basis is presented.

5A. OTHER INCOME

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Bank interest income	6	50
Others	113	82
	119	132

5B. (IMPAIRMENT LOSSES)/REVERSAL OF IMPAIRMENT LOSSES UNDER ECL MODEL, NET

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Impairment losses)/reversal of impairment losses recognised on:		
— Contract assets	(1,376)	360
— Trade receivables	(523)	507
— Retention receivables	240	(184)
— Other receivables and deposits	1	1
	(1,658)	684

6. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on advance payment	385	–
Interest on bank borrowings	198	–
Interest on lease liabilities	75	73
	658	73

7. PROFIT/(LOSS) BEFORE TAX

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit/(loss) before tax has been arrived at after charging:		
Directors' emoluments	1,161	1,394
Salaries and other allowances	8,800	17,077
Retirement benefit scheme contributions, excluding those of directors	609	610
Total staff costs	10,570	19,081
Depreciation of property, plant and equipment	87	80
Depreciation of right-of-use assets	1,448	1,215

8. INCOME TAX EXPENSES

No Hong Kong profits tax has been provided as the Group has no assessable profits arising in Hong Kong during the Relevant Period.

9. DIVIDEND

No dividends were paid, declared or proposed during the six months ended 30 June 2024 and 2023. The Directors have determined that no dividend will be paid in respect of the interim periods.

10. EARNINGS/(LOSS) PER SHARE

The calculations of the basic earnings/(loss) per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earnings/(Loss):		
Earnings/(Loss) for the period	5,254	(12,409)
Earnings/(Loss) for the purpose of basic earnings/(loss) per share	5,254	(12,409)

	Six months ended 30 June	
	2024	2023
	'000	'000
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	1,332,000	1,332,000

No diluted earnings/(loss) per share for both periods were presented as there were no potential dilutive ordinary shares in issue for both periods.

11. CONTRACT ASSETS

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Contracting service	82,285	49,043

As at 30 June 2024, included in contract assets are retention held by customers for contract works amounted to approximately HK\$37,490,000 (unaudited) (31 December 2023: HK\$18,981,000 (audited)). The retention money was expected to be recovered or settled within twelve months from the end of the reporting period.

The contract assets primarily relate to the Group's rights to consideration for works completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

12. TRADE AND OTHER RECEIVABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade receivables	84,308	71,131
Less: allowance for expected credit losses	(6,132)	(5,609)
	78,176	65,522
Retention receivables (<i>Note</i>)	10,446	16,800
Less: allowance for expected credit losses	(4,330)	(4,570)
	6,116	12,230
Other receivables	1,582	4,227
Less: allowance for expected credit losses	(38)	(38)
	1,544	4,189
Prepayment	3,990	794
Sundry deposits	1,610	1,680
	5,600	2,474
	91,436	84,415

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

Note:

Retention money in relation to completed projects of approximately HK\$1,524,000 (unaudited) (31 December 2023: HK\$934,000 (audited)) were unbilled as at 30 June 2024. The Group has unconditional right to the payment of the unbilled retention receivables which is expected to be billed within 12 months from the end of the reporting period.

The Group allows credit period ranging from 0 to 90 days to its customers. The following is an aging analysis of the Group's trade receivables net of allowance for ECL presented based on certificate/invoice dates.

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade receivables:		
1-30 days	62,523	39,603
31-60 days	390	10,653
61-90 days	-	-
91-180 days	37	-
Over 180 days	15,226	15,266
	78,176	65,522

13. TRADE AND OTHER PAYABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade payables	19,564	44,570
Retention payables (<i>Note</i>)	34,164	34,956
Accrued subcontracting charges	88,948	63,460
Accrued operating expenses	1,438	1,649
	144,114	144,635

Note:

In accordance with the normal practice of the industry, a certain percentage of contract sums is usually withheld by the Group as retention money for a period of one to two years after the works of subcontractors have been completed.

The credit period on trade payables is 0 to 30 days.

An aging analysis of the Group's trade payables based on invoice dates at the end of the reporting period is as follows:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade payables:		
1–30 days	11,798	35,524
31–60 days	–	2,783
61–90 days	–	–
Over 90 days	7,766	6,263
	19,564	44,570

14. AMOUNT DUE TO A SHAREHOLDER

As at 30 June 2024, the amount due to a shareholder of approximately HK\$9,500,000 (unaudited) (31 December 2023: HK\$15,500,000 (audited)) is unsecured, interest-free and repayable on demand from the end of the reporting period.

15. SHARE CAPITAL

	Number of Shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2023, 31 December 2023 and 30 June 2024	4,000,000,000	40,000
Issued and fully paid:		
At 1 January 2023, 31 December 2023 and 30 June 2024	1,332,000,000	13,320

16. SURETY BONDS

Certain customers of construction contracts undertaken by the Group require the group entities to issue guarantees for performance of contract works in the form of surety bonds secured by pledged deposits. In addition, the Group provided a counter-indemnity to the financial institutions that issue such surety bonds.

As at 30 June 2024, the outstanding amount of surety bonds of the Group was approximately HK\$37,449,000 (unaudited) (31 December 2023: HK\$41,664,000 (audited)).

17. RELATED PARTY DISCLOSURES

Compensation of key management personnel

The Directors are identified as key management members of the Company, and their compensation during the periods were set out as follows.

	Six months ended 30 June	
	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Salaries and other allowances	1,152	1,385
Retirement benefit scheme contributions	9	9
	1,161	1,394

18. EVENT AFTER REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that took place subsequent to 30 June 2024 and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in the provision of contracting business and project management.

The outbreak of COVID-19 in Hong Kong began to ease and the economic activities in Hong Kong has gradually resumed. The Group is confident in maintaining solid performance in the coming years by exploring different opportunities and controlling its costs. The Group may consider collaborating with other partners to participate in the construction projects in order to achieve the win-win situation.

FINANCIAL REVIEW

Financial Performance

During the Relevant Period, the revenue of the Group increased by approximately HK\$198.7 million or 294.0% to approximately HK\$266.3 million (2023: HK\$67.6 million). The increase mainly attributed to the increase in number of contracting projects with significant contract sums during the Relevant Period. The Group recorded a gross profit of approximately HK\$14.5 million (2023: gross loss of approximately HK\$5.3 million). This was primarily the combined effect of the increase in revenue and the strengthened cost control measures being taken by the Group.

Other income

Other income remained stable amounted to approximately HK\$0.1 million for the six months ended 30 June 2023 and 2024.

(Impairment losses)/reverseal of impairment losses under ECL model, net

During the Relevant Period, impairment losses provided of approximately HK\$1.7 million (2023: reversal of impairment losses was approximately HK0.7 million). The increase in impairment losses under ECL model was mainly due to the increase in the outstanding amount of trade receivables at the end of the Relevant Period.

Administrative Expenses

Administrative expenses of the Group decreased by approximately HK\$0.2 million or 2.6% from approximately HK\$7.8 million for the six months ended 30 June 2023 to approximately HK\$7.6 million for the Relevant Period. Such decrease was primarily due to decline in legal and professional fee of approximately HK\$0.3 million during the Relevant Period.

Finance costs

Finance costs of the Group increased by approximately HK\$585,000 or 801.4% from approximately HK\$73,000 for the six months ended 30 June 2023 to approximately HK\$658,000 for the Relevant Period. Such increase is mainly due to the increase in average bank borrowings during the Relevant Period.

Income tax expenses

No provision for the Hong Kong Profit Tax has been made as the Group did not generate any estimated assessable profits during the Relevant Period.

Profit/(loss) and total comprehensive income/(expense) for the period attributable to the owners of the Company

Total comprehensive income for the period attributable to the owners of the Company was approximately HK\$5.3 million (2023: expense of approximately HK\$12.4 million).

LIQUIDITY AND FINANCIAL RESOURCES

Net borrowing position

As at 30 June 2024, the total borrowings represents (i) amount due to a shareholder which decreased by approximately HK\$6.0 million to approximately HK\$9.5 million (31 December 2023: approximately HK\$15.5 million), and (ii) bank borrowings which increased by approximately HK\$4.0 million to approximately HK\$13.0 million (31 December 2023: approximately HK\$9.0 million). Bank balances and cash and pledged deposits as at 30 June 2024 decreased by approximately HK\$26.4 million to approximately HK\$32.2 million (31 December 2023: approximately HK\$58.6 million). Therefore, the net cash position of the Group decreased to approximately HK\$9.7 million (31 December 2023: approximately HK\$34.1 million).

Structure of bank borrowings and amount due to a shareholder

As at 30 June 2024, bank balances and cash and pledged deposits of the Group denominated in Hong Kong Dollar amounted to HK\$32.2 million (31 December 2023: approximately HK\$58.6 million).

As at 30 June 2024, amount due to a shareholder amounting to HK\$9.5 million were denominated in Hong Kong Dollar (31 December 2023: approximately HK\$15.5 million were denominated in Hong Kong Dollar). The effective interest rate during the Relevant Period was nil (2023: nil). As at 30 June 2024 and 31 December 2023, all of amount due to a shareholder are interest-free.

As at 30 June 2024, bank borrowings amounting to HK\$13.0 million were denominated in Hong Kong Dollar (31 December 2023: approximately HK\$9.0 million were denominated in Hong Kong Dollar). The effective interest rate during the Relevant Period was approximately 4.29% (2023: approximately 3.63%).

Liquidity ratios and gearing ratios

The current ratio of the Group as at 30 June 2024 was 1.00 times (31 December 2023: 0.98 times).

The gearing ratio, calculated based on the total borrowings including amount due to a shareholder and bank borrowings divided by total equity at the end of the Relevant Period and multiplied by 100%. As at 30 June 2024, the gearing ratio was negative (31 December 2023: negative), due to the total deficit at the end of the Relevant Period.

CAPITAL STRUCTURE

Funding policy and treasury policy

The Group maintains a prudent funding and treasury policy of its overall business operations to minimise financial risks. Surplus funds are generally placed in short term deposits denominated primarily in Hong Kong Dollar. All future projects will be financed by cash flows from operations, banking facilities, or any forms of financing available in Hong Kong.

The Group regularly monitors its liquidity requirements and its relationship with bankers to ensure that it maintains sufficient reserves of cash and adequate committed line of funding from major financial institutions to meet its liquidity requirements in the short and long term.

As at 30 June 2024 and 31 December 2023, the Company's issued share capital was HK\$13,320,000 and the number of issued ordinary shares was 1,332,000,000 of HK\$0.01 each.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

Most of the transactions of the Group are denominated in Hong Kong Dollar and the Group is not exposed to any significant foreign exchange exposure.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Whilst the Group will continue to solidify its business and clientele in the construction industry, the Group will look into business and investment opportunities for business expansion and capital injection in order to enhance the long-term growth potential of the Group. As at the date of this report, the Group did not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There was no significant event that took place during the Relevant Period, subsequent to 30 June 2024 and up to the date of this report.

CHARGE ON THE GROUP'S ASSETS

As at 30 June 2024, the Group has pledged its deposit of approximately HK\$12.2 million (31 December 2023: approximately HK\$23.4 million) to bank or insurance company to secure banking facilities granted to the Group and guarantee line for issuing surety bonds amounting to approximately HK\$37.4 million (31 December 2023: approximately HK\$41.7 million).

SURETY BONDS AND CONTINGENT LIABILITIES

Certain customers of construction contracts undertaken by the Group require the Group entities to issue guarantees for performance of contract works in the form of surety bonds and secured by pledged deposits. In addition, the Group provided a counter-indemnity to the financial institutions who have issued such surety bonds.

As at 30 June 2024, the outstanding amount of surety bonds of the Group was approximately HK\$37.4 million (31 December 2023: approximately HK\$41.7 million).

Save as disclosed above, as at 30 June 2024, the Group did not have any other material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group employed a total of 85 employees (2023: 76 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$10.6 million for the six months ended 30 June 2024 (2023: approximately HK\$19.1 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of the individual employee. In addition to a basic salary, year-end discretionary bonuses were offered to staff with outstanding performance to attract and retain eligible employees to contribute to the Group.

Apart from basic remuneration, share options may be granted to eligible employees by reference to the Group's performance as well as individual contribution.

LITIGATION

During the Relevant Period, the Group was not engaged in any litigation, arbitration, or claim which was pending or threatening by third parties against any member of the Group that would have a material adverse effect on the Group's results of operations or financial conditions. There are also no material developments to other litigations involving the Group reported in prior period.

DISCLOSURE OF INTERESTS

A. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to the Model Code as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Long position in the ordinary shares of the Company

Name of Director	Capacity/Nature	Number of shares held/ interested in	Percentage of shareholding
Mr. Ng ^(Note 1)	Interest in controlled corporation	746,930,000	56.08%

Note:

- Mr. Ng beneficially owns the entire issued share capital of Masterveyor and is deemed, or taken to be, interested in all the shares of the Company held by Masterveyor for the purposes of the SFO. Mr. Ng is an executive Director and chief executive officer of the Company.

(ii) Long position in the ordinary shares of associated corporations

Name of Director	Name of associated corporation	Capacity/Nature	Number of shares held/ interested in	Percentage of shareholding
Mr. Ng	Masterveyor	Beneficial owner	2	100%

Save as disclosed above, as at 30 June 2024, none of the Directors nor chief executive of the Company has registered an interest 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) (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 and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules.

B. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, the interest and short positions of the person (other than the Directors or chief executive of the Company) or company which was required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of shareholder	Capacity/Nature of interest	Number of shares held/Interested in	Long/short position	Percentage of total issued share capital of the Company
Masterveyor	Beneficial owner	746,930,000	Long	56.08%
Ms. Wong Chai Lin	Interest of spouse <i>(Note 1)</i>	746,930,000	Long	56.08%
Gentle Soar Limited	Beneficial owner <i>(Note 2)</i>	209,720,000	Long	15.74%
Mr. Gao Yunhong	Interest in a controlled corporation <i>(Note 2)</i>	209,720,000	Long	15.74%
Pop Reach Limited	Beneficial owner	89,480,000	Long	6.72%
Ms. Yeung So Lai	Interest in a controlled corporation <i>(Note 3)</i>	89,480,000	Long	6.72%

Notes:

- Ms. Wong Chai Lin is the spouse of Mr. Ng, an executive Director, the chief executive officer of the Company and the beneficial owner of Masterveyor, and is deemed, or taken to be, interested in all the shares in which Mr. Ng is interested for the purposes of the SFO.

2. Mr. Gao Yunhong is beneficially interested in the entire issued shares of Gentle Soar Limited and is therefore deemed to be interested in the shares of the Company held by Gentle Soar Limited by virtue of the SFO.
3. Ms. Yeung So Lai is beneficially interested in the entire issued shares of Pop Reach Limited and is therefore deemed to be interested in the shares of the Company held by Pop Reach Limited by virtue of the SFO.

Save as disclosed above, as at 30 June 2024 and so far as is known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above, had notified the Company of an interest or short position in the shares or underlying shares 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.

COMPETING AND CONFLICTS OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholders of the Company nor any of their respective associates (as defined in the Listing Rules) that competes 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.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including treasury shares) during the Relevant Period.

CORPORATE GOVERNANCE CODE

The Board recognises that transparency and accountability are important to a listed company. Therefore, the Company is committed to establishing and maintaining good corporate governance practices and procedures. The Directors believe that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture in return for the benefits of the Company’s stakeholders as a whole.

The Board has adopted and complied with the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules. Pursuant to the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established. Mr. Ng Kin Siu currently assumes the role of both chairman of the Company and chief executive of the Company. The Board considers that this structure could enhance efficiency in formulation and implementation of the Company’s strategies. The Board will review the need of appointing suitable candidate to assume the role of chief executive when necessary. Save as disclosed above, the Company has complied with the applicable code provisions of the CG Code.

The Directors will continue to review the Company’s corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of shareholders and other stakeholders of the Company.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in the Model Code as set out in Appendix C3 to the Listing Rules. The Company had made specific enquiry of all the Directors and 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.

INTERIM DIVIDEND

The Board has resolved not to recommend any payment of interim dividend in respect of the Relevant Period (six months ended 30 June 2023: Nil).

SHARE OPTION SCHEME

The share option scheme (the “**Scheme**”) is a share incentive scheme in compliance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contributions of the Directors and other employees who have made valuable contributions to the Group. The Scheme of the Company was adopted on 16 September 2015 (the “**Adoption**”). There was no share option granted or agreed to be granted under the Scheme from the date of the Adoption to 30 June 2024.

The following is a summary of the principal terms of the Scheme but it does not form part of, nor was it intended to be part of the Scheme nor should it be taken as affecting the interpretation of the rules of the Scheme:

(A) PURPOSE

The Scheme is a share incentive scheme in compliance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contributions that the Eligible Participants (as defined in paragraph (B) below) had or may have made to our Group. The Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) to motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (ii) to attract and to retain or otherwise to maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

(B) THE PARTICIPANTS OF THE SCHEME

The Board may, at its discretion, offer to grant an option to the following persons (collectively the “**Eligible Participants**”) to subscribe for such number of new shares as the Board may determine at an exercise price determined in accordance with paragraph (E) below:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any directors (including independent non-executive directors) of the Company or any of its subsidiaries; and
- (iii) any advisers, consultants and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries.

Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company as consideration for the grant.

(C) MAXIMUM NUMBER OF SHARES

The maximum number of shares in respect of which options may be granted under the Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue, being 133,200,000 shares, unless the Company obtains a fresh approval.

(D) MAXIMUM NUMBER OF OPTIONS TO ANY ONE INDIVIDUAL

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the issued shares of the Company as at the date of grant.

(E) PRICE OF SHARES

The subscription price of a share in respect of any particular option granted under the Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

- (i) the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a share.

(F) TIME OF EXERCISE OF OPTION AND DURATION OF THE SHARE OPTION SCHEME

An option may be exercised in accordance with the terms of the Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the Scheme shall be valid and effective for a period of 10 years from the date of the Adoption.

EVENT AFTER REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that took place subsequent to 30 June 2024 and up to the date of this report.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with its written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, to review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to monitor the integrity of the Company’s annual reports and interim financial reports before submission to the Board. The Audit Committee consists of three members, namely Mr. Lau Kwok Fai Patrick, Mr. Chan Yuk Sang and Mr. Wong Chun Wah Kelvin, all being independent non-executive Directors. Mr. Lau Kwok Fai Patrick currently serves as the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the Relevant Period.

By order of the Board
FDB Holdings Limited
Ng Kin Siu

Chairman of the Board and executive Director

Hong Kong, 27 August 2024