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CHINNEY KIN WING HOLDINGS LIMITED

建業建榮控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1556)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the “Board”) of Chinney Kin Wing Holdings Limited (the “Company”) is pleased to announce the consolidated statement of profit or loss and the consolidated statement of comprehensive income of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025 and the consolidated statement of financial position of the Group as at 31 December 2025 together with comparative figures in 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Year ended 31 December	
		2025	2024
	Notes	HK\$'000	HK\$'000
REVENUE	4	2,272,937	2,485,662
Cost of construction		(1,785,208)	(2,119,996)
Gross profit		487,729	365,666
Other income and gains	4	30,616	27,739
Administrative expenses		(350,378)	(237,296)
Impairment of trade receivables		(4,468)	(3,313)
Impairment of contract assets		–	(115)
Finance costs	5	(155)	(97)
PROFIT BEFORE TAX	6	163,344	152,584
Income tax expense	7	(30,215)	(25,466)
PROFIT FOR THE YEAR		133,129	127,118
Profit attributable to:			
Equity holders of the Company		133,129	127,118
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8		
Basic and diluted		HK8.88 cents	HK8.47 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
PROFIT FOR THE YEAR	133,129	127,118
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Surplus on revaluation of leasehold land	<u>5,086</u>	<u>5,833</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	5,086	5,833
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	138,215	132,951
Attributable to:		
Equity holders of the Company	<u>138,215</u>	<u>132,951</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 December 2025	31 December 2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		302,334	300,052
Right-of-use assets		206,406	190,958
Investment in an associate		121	121
Deposits		8,653	10,930
		517,514	502,061
CURRENT ASSETS			
Trade receivables	10	117,575	203,081
Contract assets		372,817	439,576
Prepayments, deposits and other receivables		35,040	35,568
Due from a fellow subsidiary		129	129
Loan to a related company	11	250,000	250,000
Tax recoverable		–	11,604
Cash and cash equivalents		742,355	562,530
		1,517,916	1,502,488
CURRENT LIABILITIES			
Trade and retention monies payables	12	111,019	265,633
Other payables and accruals		967,409	888,225
Tax payable		31,798	5,628
		1,110,226	1,159,486
NET CURRENT ASSETS		407,690	343,002
TOTAL ASSETS LESS CURRENT LIABILITIES		925,204	845,063
NON-CURRENT LIABILITIES			
Deferred tax liabilities		26,159	41,906
Lease liabilities		17,673	–
		43,832	41,906
Total non-current liabilities		43,832	41,906
Net assets		881,372	803,157
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital		150,000	150,000
Reserves		731,372	653,157
		881,372	803,157
Total equity		881,372	803,157

NOTES:

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in Bermuda on 29 May 2015. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is located at Room 2308, 23/F., Wing On Centre, 111 Connaught Road Central, Hong Kong.

The Company is an investment holding company. During the year, the Company's subsidiaries were principally involved in foundation construction and drilling and site investigation works for both public and private sectors in Hong Kong.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for leasehold land which has been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

Changes in accounting policies and disclosures

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

The adoption of this revised HKFRS Accounting Standards has had no significant financial impact on these financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has two reportable operating segments as follows:

- Foundation construction and ancillary services (the “Foundation Division”); and
- Drilling and site investigation (the “Drilling Division”).

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax except that interest income and finance costs as well as unallocated corporate gains and expenses are excluded from such measurement.

Segment assets exclude other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2025

	Foundation construction and ancillary services <i>HK\$'000</i>	Drilling and site investigation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:			
Sales to external customers	1,921,117	351,820	2,272,937
Intersegment sales	–	23,238	23,238
Other revenue	13,670	1,888	15,558
	<u>1,934,787</u>	<u>376,946</u>	<u>2,311,733</u>
<i>Reconciliation:</i>			
Elimination of intersegment sales			(23,238)
Other revenue			(15,558)
Revenue			<u>2,272,937</u>
Segment results	122,789	35,730	158,519
<i>Reconciliation:</i>			
Corporate and other unallocated expenses			(22,602)
Interest income			27,582
Finance costs			(155)
Profit before tax			<u>163,344</u>
Segment assets	1,431,700	333,772	1,765,472
<i>Reconciliation:</i>			
Corporate and other unallocated assets			269,958
Total assets			<u>2,035,430</u>
Segment liabilities	578,565	563,960	1,142,525
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			11,533
Total liabilities			<u>1,154,058</u>
Other segment information:			
Investment in an associate	121	–	121
Depreciation of property, plant and equipment	51,263	11,252	62,515
Depreciation of right-of-use assets	10,464	–	10,464
Impairment of trade receivables	4,468	–	4,468
Capital expenditure*	87,796	5,443	93,239

* Capital expenditure represents additions to property, plant and equipment.

3. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2024

	Foundation construction and ancillary services <i>HK\$'000</i>	Drilling and site investigation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:			
Sales to external customers	1,993,993	491,669	2,485,662
Intersegment sales	–	50,589	50,589
Other revenue	19,997	4,207	24,204
	<u>2,013,990</u>	<u>546,465</u>	<u>2,560,455</u>
<i>Reconciliation:</i>			
Elimination of intersegment sales			(50,589)
Other revenue			<u>(24,204)</u>
Revenue			<u><u>2,485,662</u></u>
Segment results	113,064	35,810	148,874
<i>Reconciliation:</i>			
Corporate and other unallocated expenses			(22,668)
Interest income			26,475
Finance costs			<u>(97)</u>
Profit before tax			<u><u>152,584</u></u>
Segment assets	1,389,770	358,994	1,748,764
<i>Reconciliation:</i>			
Corporate and other unallocated assets			<u>255,785</u>
Total assets			<u><u>2,004,549</u></u>
Segment liabilities	878,546	312,495	1,191,041
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			<u>10,351</u>
Total liabilities			<u><u>1,201,392</u></u>
Other segment information:			
Investment in an associate	121	–	121
Depreciation of property, plant and equipment	52,822	13,172	65,994
Depreciation of right-of-use assets	9,901	–	9,901
Impairment/(reversal of impairment) of contract assets	1,988	(1,873)	115
Impairment of trade receivables	3,313	–	3,313
Capital expenditure*	<u>65,108</u>	<u>25,482</u>	<u>90,590</u>

* Capital expenditure represents additions to property, plant and equipment.

3. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	<u>2,272,937</u>	<u>2,485,662</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	<u>517,514</u>	<u>502,061</u>

The non-current asset information above is based on the locations of the assets.

Information about major customers

Revenue from each of the major customers, which amounted to 10% or more of the Group's revenue, is set out below:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Customer A	663,242	323,594
Customer B	<u>560,212</u>	<u>548,033</u>

4. REVENUE, AND OTHER INCOME AND GAINS

An analysis of the Group's revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	
<i>Revenue from contract with customers</i>			
Construction services	<u>2,272,937</u>	<u>2,485,662</u>	
Revenue from contracts with customers			
Disaggregated revenue information			
For the year ended 31 December 2025			
Segments			
	Foundation construction and ancillary services <i>HK\$'000</i>	Drilling and site investigation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Type of services			
Construction services	<u>1,921,117</u>	<u>351,820</u>	<u>2,272,937</u>
Geographical markets			
Hong Kong	<u>1,921,117</u>	<u>351,820</u>	<u>2,272,937</u>
Total revenue from contracts with customers	<u>1,921,117</u>	<u>351,820</u>	<u>2,272,937</u>
Timing of revenue recognition			
Services transferred over time	<u>1,921,117</u>	<u>351,820</u>	<u>2,272,937</u>
Revenue from contracts with customers			
External customers	1,921,117	351,820	2,272,937
Intersegment sales	–	23,238	23,238
Other revenue	<u>13,670</u>	<u>1,888</u>	<u>15,558</u>
	1,934,787	376,946	2,311,733
Elimination of intersegment sales	–	(23,238)	(23,238)
Other revenue	<u>(13,670)</u>	<u>(1,888)</u>	<u>(15,558)</u>
Total revenue from contracts with customers	<u>1,921,117</u>	<u>351,820</u>	<u>2,272,937</u>

4. REVENUE, AND OTHER INCOME AND GAINS *(continued)*

For the year ended 31 December 2024

Segments

	Foundation construction and ancillary services <i>HK\$'000</i>	Drilling and site investigation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Type of services			
Construction services	1,993,993	491,669	2,485,662
Geographical markets			
Hong Kong	1,993,993	491,669	2,485,662
Total revenue from contracts with customers	1,993,993	491,669	2,485,662
Timing of revenue recognition			
Services transferred over time	1,993,993	491,669	2,485,662
Revenue from contracts with customers			
External customers	1,993,993	491,669	2,485,662
Intersegment sales	–	50,589	50,589
Other revenue	19,997	4,207	24,204
	2,013,990	546,465	2,560,455
Elimination of intersegment sales	–	(50,589)	(50,589)
Other revenue	(19,997)	(4,207)	(24,204)
Total revenue from contracts with customers	1,993,993	491,669	2,485,662
Other income and gains			
		2025	2024
		<i>HK\$'000</i>	<i>HK\$'000</i>
Bank interest income		12,582	22,941
Interest income from a loan to a related company		15,000	3,534
Foreign exchange differences, net		449	–
Others		2,585	1,264
		30,616	27,739

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on lease liabilities	<u>155</u>	<u>97</u>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of construction	1,785,208	2,119,996
Depreciation of property, plant and equipment	62,515	65,994
Depreciation of right-of-use assets	10,464	9,901
Staff costs (including directors' remuneration)		
Salaries, wages and allowances	621,163	434,684
Pension scheme contributions	20,337	17,794
	<u>641,500</u>	<u>452,478</u>
Auditor's remuneration	1,631	1,466
Lease payments not included in the measurement of lease liabilities	2,256	2,258
Loss on disposal of items of property, plant and equipment, net	1,901	537
(Gain)/loss on foreign exchange differences, net	(449)	556
Impairment of trade receivables	4,468	3,313
Impairment of contract assets	-	115
	<u>-</u>	<u>115</u>

7. INCOME TAX

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	46,335	16,966
Overprovision in prior years	(373)	–
Deferred	<u>(15,747)</u>	<u>8,500</u>
Total tax charge for the year	<u><u>30,215</u></u>	<u><u>25,466</u></u>

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

8. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to equity holders of the Company of HK\$133,129,000 (2024: HK\$127,118,000) and the number of ordinary shares of 1,500,000,000 (2024: 1,500,000,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

9. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Proposed final dividend of HK2.0 cents (2024: HK2.0 cents) per ordinary share	30,000	30,000
Proposed special dividend of nil (2024: HK2.0 cents) per ordinary share	<u>–</u>	<u>30,000</u>
	<u><u>30,000</u></u>	<u><u>60,000</u></u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. TRADE RECEIVABLES

	2025	2024
	HK\$'000	HK\$'000
Trade receivables	117,575	203,081

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing. At 31 December 2025, the Group had a certain concentration risk that may arise from the exposure to the largest customer and the five largest customers, which accounted for 16% and 57% (2024: 15% and 33%) of the Group's total trade receivable balances, respectively.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2025	2024
	HK\$'000	HK\$'000
Current to 30 days	84,487	153,501
31 to 60 days	11,075	12,669
61 to 90 days	3,995	9,597
Over 90 days	18,018	27,314
	117,575	203,081

11. LOAN TO A RELATED COMPANY

The loan to a related company represented advance to Chinney Investments, Limited ("Chinney Investments") by the Company pursuant to a loan agreement dated 25 July 2024. A controlling shareholder of the Company has a beneficial interest in Chinney Investments. The loan is unsecured, interest-bearing at 6% per annum and repayable within 12 months from the date of drawdown with an option for extension for further 12 months subject to the approval of the Company. Details of the transaction are set out in the section headed "CONNECTED TRANSACTIONS" of this announcement.

12. TRADE AND RETENTION MONIES PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	61,766	210,307
Retention monies payable	<u>49,253</u>	<u>55,326</u>
	<u>111,019</u>	<u>265,633</u>

An ageing analysis of the trade and retention monies payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables		
Current to 30 days	44,372	175,988
31 to 60 days	8,147	24,189
61 to 90 days	1,093	5,211
Over 90 days	<u>8,154</u>	<u>4,919</u>
	61,766	210,307
Retention monies payable	<u>49,253</u>	<u>55,326</u>
	<u>111,019</u>	<u>265,633</u>

The trade and retention monies payables are non-interest-bearing. Trade payables are normally settled on 30-day terms. Retention monies payable had repayment terms ranging from one to two years.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATION REVIEW

As at 31 December 2025, the Group had 12 and 50 projects in progress with contract sum of approximately HK\$2,321 million and HK\$1,063 million in the Foundation Division and Drilling Division, respectively.

Revenue

Set out below is the breakdown of revenue of the Group during the current and previous year:

	2025	2024
	HK\$'000	HK\$'000
Foundation Division	1,921,117	1,993,993
Drilling Division	351,820	491,669
	<u>2,272,937</u>	<u>2,485,662</u>

The Group's revenue for the year was HK\$2,272.9 million (2024: HK\$2,485.7 million), representing a decrease of HK\$212.7 million or 8.6% from that of previous year. Revenue for our Foundation Division decreased from previous year of HK\$1,994.0 million to the reporting year of HK\$1,921.1 million, representing a decrease of HK\$72.9 million or 3.7% while revenue for our Drilling Division decreased from previous year of HK\$491.7 million to the reporting year of HK\$351.8 million, representing a decrease of HK\$139.8 million or 28.4%. The decrease of revenue was mainly due to higher-value contracts progressing toward finalisation for both Foundation Division and Drilling Division.

Gross profit and gross profit margin

The Group's total gross profit for the reporting year was HK\$487.7 million (2024: HK\$365.7 million), representing an increase of HK\$122.1 million or 33.4% from that of previous year. Furthermore, the Group's overall gross profit margin increased from previous year of 14.7% to the reporting year of 21.5%. The increase in total gross profit and gross profit margin was due to decrease in material costs. We continued to secure new projects with the professionalism of our project management teams and stringent project cost control by ensuring minimum construction cost incurred in return for desired construction qualities achieved.

Other income and gains

The Group recorded other income and gains in the reporting year of HK\$30.6 million, representing an increase of HK\$2.9 million or 10.4% as compared with previous year of HK\$27.7 million. The increase in other income and gains was mainly attributed to the full year interest income from a loan to a related company of HK\$15.0 million in the reporting year, representing an increase of HK\$11.5 million or 328.6% as compared to HK\$3.5 million for previous year. However, such increase was partly set-off by the decrease in interest income earned by the Group from cash deposits with licensed banks from previous year of HK\$22.9 million, representing a decrease of HK\$10.4 million or 45.2% to current reporting year of HK\$12.6 million due to decrease in interest rate. The Group will continue to closely monitor the cashflow position and maximise the bank interest income earned therefrom.

Administrative expenses

The Group's administrative expenses in the reporting year was HK\$350.4 million, representing an increase of HK\$113.1 million or 47.7% as compared with the previous corresponding year of HK\$237.3 million. The increase in administrative expenses was mainly due to the increase in staff costs of HK\$110.5 million in the reporting year in recruiting and retaining competitive personnel as well as performance bonus to the directors in reward for their contribution to the Group. The Group will persistently adopt stringent control policies to monitor the extent of administrative expenses.

Net profit

The Group's net profit in the reporting year was HK\$133.1 million, representing an increase of 4.7% or HK\$6.0 million, as compared with the previous corresponding year of HK\$127.1 million. The increase of net profit was mainly attributed to the increased gross profit of HK\$122.1 million which being generated from the construction projects, and partially set-off by increased staff costs in administrative expenses of HK\$110.5 million and increased income tax expense of HK\$4.8 million in the reporting year.

FINANCIAL REVIEW

Liquidity and financial resources

As at 31 December 2025, the Group had unpledged cash and bank balances of HK\$742.4 million as compared with that of HK\$562.5 million at 31 December 2024. The increase of cash and bank balances of HK\$179.8 million was recorded after providing payment of 2024 final and special dividend of HK\$60.0 million, capital payment of HK\$93.2 million in acquisition of machineries and motor vehicles, together with net cash inflow from certain sizeable foundation and site investigation contracts in the reporting year. The Group maintained a sound financial position and remained debt free during the reporting year.

Funding and treasury policy

The Group has a prudent funding and treasury policy. Surplus funds are mainly maintained in the form of cash deposits with licensed banks. To manage liquidity risk, the Board closely monitors the Group's position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Contingent liabilities

As at 31 December 2025, the Group provided corporate guarantees and counter indemnities to certain banks for an aggregate amount of HK\$237.4 million (2024: HK\$268.5 million) for the issue of performance bonds in its ordinary course of business.

Employees and remuneration policies

As at 31 December 2025, the Group employed 628 staff in Hong Kong. The Group is proud of the professional foundation and drilling contracting team formed by these colleagues. Remuneration packages are reviewed annually and determined by reference to market pay and individual performance. In addition to salary payments and discretionary bonuses, the Group also provides other employment benefits including medical insurance cover, provident fund and educational subsidies to eligible staff.

CONNECTED TRANSACTIONS

The Company entered into the following one-off connected transaction and continuing connected transactions during the year ended 31 December 2025. Details of the transactions are set out below:

(a) Connected Transaction under the Loan Agreement

On 25 July 2024, the Company entered into a loan agreement (the “Loan Agreement”) with Chinney Investments where the Company (as a lender), agreed to provide a loan in the principal amount of up to HK\$250,000,000 to Chinney Investments (as a borrower), at the interest rate of 6% per annum for 12 months from the date of drawdown, with an option for extension of further 12 months subject to the approval of the Company. A controlling shareholder of the Company has a beneficial interest in Chinney Investments. The entering into of the Loan Agreement and the transactions contemplated thereunder constituted a connected transaction of each of the Company and Chinney Alliance Group Limited (“CAGL”) under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The transaction was approved by the independent shareholders of each of the Company and CAGL on their respective special general meetings on 25 September 2024. On 7 October 2024, the Company advanced HK\$250 million to Chinney Investments upon receipt its drawdown notice. On 5 September 2025, Chinney Investments served a written request to the Company for the extension of the term of the loan for further 12 months. The request for extension was approved by the Company.

For details of the Loan Agreement and the transaction contemplated thereunder, please refer to the joint announcement of the Company and CAGL dated 25 July 2024 and the Company’s circular dated 4 September 2024.

During the year ended 31 December 2025, interest income receivable/received by the Group under the Loan Agreement amounted to approximately HK\$15.0 million.

(b) Continuing Connected Transactions under the Framework Agreement

Pursuant to a framework agreement dated 25 July 2024 and a supplement agreement dated 29 August 2024 (collectively, the “Framework Agreement”) entered between the Company and CAGL, member(s) of CAGL and its subsidiaries (excluding the Group) (collectively the “Remaining Group”) may engage member(s) of the Group to provide certain services in the ordinary and usual course of businesses of the Group (the “Services”) by means of tendering procedures, and member(s) of the Group may provide the Services to member(s) of the Remaining Group upon successful tender award, for a term of three years commenced from 1 January 2025 and ending on 31 December 2027 (both dates inclusive), subject to the annual caps of HK\$135 million for each of the three years ending 31 December 2025, 2026 and 2027 (the “Annual Caps”) as set out in the Framework Agreement. CAGL is beneficially interested in 74.5% of the entire issued share capital of the Company and is therefore, a controlling shareholder and a connected person of the Company. The entering into of the Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The transaction was approved by the independent shareholders of the Company at a general meeting held on 25 September 2024.

For details of the Framework Agreement and the transactions contemplated thereunder, please refer to the Company’s announcement dated 25 July 2024 and circular dated 4 September 2024.

During the year ended 31 December 2025, services fees receivable/received by the Group under the Framework Agreement was nil.

OUTLOOK AND FUTURE PLANS

In 2025, Kin Wing significantly strengthened its operational capacity through the acquisition of a substantial fleet of bored pile equipment. Together with an enlarged depot facility exceeding 200,000 sq. ft., these strategic investments enhance our capabilities and establish Kin Wing as one of the most robust and well-equipped machinery fleets in Hong Kong and positioning itself for anticipated future requirements. Another subsidiary, DrilTech, continues to strengthen its market presence through new ground investigation contracts, leveraging its HOKLAS-accredited Koden Test capabilities. DrilTech will further extend its service offerings in 2026 with the introduction of marine ground investigation services via a purpose-built exploration vessel. Having developed a comprehensive portfolio spanning site investigation, instrumentation, marine ground investigation and field testing, DrilTech has secured placement on a significant NEC4 Framework Contract, validating the Group’s technical leadership and specialised capabilities.

With tremendous contribution by the CKW Academy, the Group's priorities include workflow optimisation, enhanced cost management and strengthened cross-functional collaboration. The Group is bolstering operational resilience through advanced AI-enabled monitoring systems and IT infrastructure upgrades, while its Method Statement ensures consistent delivery excellence and uncompromising safety standards.

The Group continues to maintain a disciplined approach amid intensified competition, limited project opportunities, and rising labour costs and fuel costs. The fire incident at Wang Fuk Court was a profound tragedy, and the Group extends its sincere condolences to the affected families and the community. Consequently, the Group anticipates heightened regulatory oversight across the industry, resulting in more stringent site management protocols and increased compliance requirements. Along with subdued market conditions and raised expectations, the Group will endeavor to foster its culture with central idea of rejecting mediocrity and embracing excellence in 2026.

Looking ahead, the Group remains cautiously optimistic about the outlook for Hong Kong's foundation and construction sectors. Its strategy focuses on strengthening core capabilities, pursuing measured operational growth and selectively capturing opportunities, while remaining open to partnerships that align with its long-term vision. The industry's transition toward sustainable practices represents both a responsibility and an opportunity. The Group has implemented comprehensive Environmental, Social and Governance (ESG) frameworks throughout its operations, incorporating advanced ecological construction methodologies and sophisticated waste management systems. This strategic commitment aligns with regulatory priorities while enhancing its competitive positioning for future development opportunities.

The broader construction landscape continues to transform, presenting diversified opportunities alongside operational challenges. Public housing initiatives and Northern Metropolis infrastructure developments are accelerating, while private developers recalibrate strategies in response to evolving market dynamics. These conditions favour contractors with technical versatility and proven project management expertise. The Group's extensive industry experience, operational capabilities, and financial stability position it well to navigate market complexities while delivering consistent value to stakeholder. Its demonstrated adaptability, together with a continued commitment to operational excellence, further distinguishes the Group within Hong Kong's evolving construction landscape.

PROPOSED FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK2.0 cents per share for the year ended 31 December 2025 to the shareholders of the Company whose names appear on the Company's register of members on 15 June 2026. Subject to approval by the shareholders on the forthcoming annual general meeting, the dividend cheques are expected to be despatched to the shareholders on or before 7 July 2026.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on 3 June 2026. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from 29 May 2026 to 3 June 2026 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on 28 May 2026.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

The proposed final dividend for the year ended 31 December 2025 is subject to the approval by the shareholders of the Company at the annual general meeting. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from 10 June 2026 to 15 June 2026 (both days inclusive), during which period no share transfers will be registered. The last day for dealing in the Company's share cum entitlements to the proposed final dividend will be 5 June 2026. In order to qualify for the proposed final dividend, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on 9 June 2026.

APPRECIATION

On behalf of the Board, I would like to thank the members of our Execution Panel, management team and colleagues across the Group for their continued commitment and hard work. I also extend my appreciation to our business partners and shareholders for their ongoing support. As we move ahead, we will stay focused on strengthening our core operations and building long-term, sustainable growth together with the support of our stakeholders.

CORPORATE GOVERNANCE

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") set out in Appendix C3 of the Listing Rules. On specific enquiries made, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2025.

Compliance with the Corporate Governance Code

In the opinion of the directors, the Company has complied with all relevant code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Listing Rules during the year, except code provision C.5.1. Board meetings of the Company were held twice during the year on a regular basis, which deviated from code provision C.5.1 of the CG code which stipulates that the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. In view of the simplicity of the Group’s businesses, regular board meetings have not been held quarterly during the year. But the Board (including all independent non-executive directors) was fully and continuously informed of the Group’s major business developments and affairs through alternative but effective mechanisms. In practice:

- (i) Various business event gatherings were attended by Board members, during which the Group’s operational matters, business developments and strategic considerations were discussed in depth; and
- (ii) Weekly cash basis financial and operational performance updates were circulated to all Board members, allowing them to monitor the Group’s financial position, liquidity status, and business performance in a timely manner, and to provide comments or guidance as needed.

These communication channels enabled the Board to stay closely engaged with management and ensured that independent non-executive directors received sufficiently frequent and meaningful information to perform their oversight duties. The interim and annual results together with all corporate transactions happened during the year have been reviewed and discussed amongst the directors at the full board meetings held in the year.

Details of the Company’s corporate governance policies and practices (including the above deviation from the code provision) will be discussed in the Company’s 2025 annual report.

Audit Committee

The Audit Committee comprises all the four independent non-executive directors namely Mr. Siu-Chee Kong (Chairman of the Audit Committee), Mr. Ivan Ti-Fan Pong, Mr. Robert Che-Kwong Tsui and Ms. Kit-Sum Ling.

The Audit Committee has reviewed the accounting principles and policies adopted by the Group including the review of the Group’s consolidated results and financial statements and discussed with management and the external auditor the financial reporting matters for the year ended 31 December 2025.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company's auditor on the preliminary announcement.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the year.

By Order of the Board
Yuen-Keung Chan
Chairman

Hong Kong, 26 March 2026

As at the date of this announcement, the Board comprises of ten directors, of which six are executive directors, namely Mr. Yuen-Keung Chan, Mr. James Sing-Wai Wong, Mr. Wing-Sang Yu, Mr. Philip Bing-Lun Lam, Mr. Hon-Man Wai and Mr. Hoi-Fan Lam; and four are independent non-executive directors, namely Mr. Siu-Chee Kong, Mr. Ivan Ti-Fan Pong, Mr. Robert Che-Kwong Tsui and Ms. Kit-Sum Ling.

* *For identification purpose only*