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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "Board") of Chinney Kin Wing Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2026 and the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2026 together with comparative figures in 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*4*	**703,649**	1,205,100
Cost of construction		**(484,204)**	(1,015,559)
Gross profit		**219,445**	189,541
Other income and gains	*4*	**21,281**	15,705
Administrative expenses		**(188,673)**	(125,269)
Reversal of impairment/(impairment) of trade receivables		**5,849**	(4,468)
Finance costs	*6*	**(762)**	(5)
PROFIT BEFORE TAX	*5*	**57,140**	75,504
Income tax expense	*7*	**(11,262)**	(13,420)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**45,878**	62,084
Profit and total comprehensive income attributable to:			
Equity holders of the Company		**45,878**	62,084
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*8*		
Basic and diluted		**HK3.06 cents**	HK4.14 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**298,677**	302,334
Right-of-use assets		**201,477**	206,406
Investment in an associate		**121**	121
Deposits		**1,190**	8,653
Loan to a related company	*12*	**250,000**	–
Total non-current assets		**751,465**	517,514
CURRENT ASSETS			
Trade receivables	*11*	**97,272**	117,575
Contract assets		**414,798**	372,817
Prepayments, deposits and other receivables		**32,539**	35,040
Due from an associate		**400**	–
Due from a fellow subsidiary		**137**	129
Loan to a related company	*12*	**–**	250,000
Tax recoverable		**3,070**	–
Cash and cash equivalents		**778,876**	742,355
Total current assets		**1,327,092**	1,517,916
CURRENT LIABILITIES			
Trade and retention monies payables	*13*	**114,184**	111,019
Other payables and accruals		**977,385**	967,409
Tax payable		**44,472**	31,798
Total current liabilities		**1,136,041**	1,110,226
NET CURRENT ASSETS		**191,051**	407,690
TOTAL ASSETS LESS CURRENT LIABILITIES		**942,516**	925,204
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**27,263**	26,159
Lease liabilities		**18,003**	17,673
Total non-current liabilities		**45,266**	43,832
Net assets		**897,250**	881,372
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital		**150,000**	150,000
Reserves		**747,250**	731,372
Total equity		**897,250**	881,372

NOTES:

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in Bermuda with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda, and the Company's head office and principal place of business 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 period under review, 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

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities of the Stock Exchange (the "Listing Rules").

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention, except for leasehold land which has been measured at fair value. The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The adoption of the amended HKFRS Accounting Standards does not have material impact of the performance and financial position of the Group.

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 operating profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax except that interest income, 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)*

Six months ended 30 June 2026

	Foundation construction and ancillary services (Unaudited) *HK$'000*	Drilling and site investigation (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
Segment revenue:			
Sales to external customers	**519,203**	**184,446**	**703,649**
Intersegment sales	**–**	**212,490**	**212,490**
Other revenue	**13,829**	**–**	**13,829**
	533,032	**396,936**	**929,968**
Reconciliation:			
Elimination of intersegment sales			**(212,490)**
Other revenue			**(13,829)**
Revenue			**703,649**
Segment results	**38,726**	**15,655**	**54,381**
Reconciliation:			
Corporate and other unallocated expenses			**(10,969)**
Interest income			**14,490**
Finance costs			**(762)**
Profit before tax			**57,140**

As at 30 June 2026

	Foundation construction and ancillary services (Unaudited) *HK$'000*	Drilling and site investigation (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
Segment assets	**1,430,191**	**347,007**	**1,777,198**
Reconciliation:			
Corporate and other unallocated assets			**301,359**
Total assets			**2,078,557**
Segment liabilities	**659,647**	**487,712**	**1,147,359**
Reconciliation:			
Corporate and other unallocated liabilities			**33,948**
Total liabilities			**1,181,307**

3. **OPERATING SEGMENT INFORMATION** *(continued)*

Six months ended 30 June 2025

	Foundation construction and ancillary services (Unaudited) *HK$'000*	Drilling and site investigation (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
Segment revenue:			
Sales to external customers	1,036,652	168,448	1,205,100
Intersegment sales	–	11,482	11,482
Other revenue	7,896	309	8,205
	1,044,548	180,239	1,224,787
Reconciliation:			
Elimination of intersegment sales			(11,482)
Other revenue			(8,205)
Revenue			1,205,100
Segment results	55,276	17,589	72,865
Reconciliation:			
Corporate and other unallocated expenses			(11,406)
Interest income			14,050
Finance costs			(5)
Profit before tax			75,504

As at 31 December 2025

	Foundation construction and ancillary services (Audited) *HK$'000*	Drilling and site investigation (Audited) *HK$'000*	Total (Audited) *HK$'000*
Segment assets	1,431,700	333,772	1,765,472
Reconciliation:			
Corporate and other unallocated assets			269,958
Total assets			2,035,430
Segment liabilities	578,565	563,960	1,142,525
Reconciliation:			
Corporate and other unallocated liabilities			11,533
Total liabilities			1,154,058

4. REVENUE, OTHER INCOME AND GAINS

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Construction services	**703,649**	1,205,100

Revenue from contracts with customers

Disaggregate revenue information

Six months ended 30 June 2026

Segments	**Foundation construction and ancillary services (Unaudited)** ***HK$'000***	**Drilling and site investigation (Unaudited)** ***HK$'000***	**Total (Unaudited)** ***HK$'000***
Type of services			
Construction services	**519,203**	**184,446**	**703,649**
Geographical market			
Hong Kong	**519,203**	**184,446**	**703,649**
Timing of revenue recognition			
Services transferred over time	**519,203**	**184,446**	**703,649**
Revenue from contracts with customers			
External customers	**519,203**	**184,446**	**703,649**
Intersegment sales	**–**	**212,490**	**212,490**
Other revenue	**13,829**	**–**	**13,829**
Segment revenue	**533,032**	**396,936**	**929,968**
Elimination of intersegment sales	**–**	**(212,490)**	**(212,490)**
Other revenue	**(13,829)**	**–**	**(13,829)**
Revenue from contracts with customers	**519,203**	**184,446**	**703,649**

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

Revenue from contracts with customers *(continued)*

Disaggregate revenue information *(continued)*

Six months ended 30 June 2025

Segments	Foundation construction and ancillary services (Unaudited) *HK$'000*	Drilling and site investigation (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
Type of services			
Construction services	1,036,652	168,448	1,205,100
Geographical market			
Hong Kong	1,036,652	168,448	1,205,100
Timing of revenue recognition			
Services transferred over time	1,036,652	168,448	1,205,100
Revenue from contracts with customers			
External customers	1,036,652	168,448	1,205,100
Intersegment sales	–	11,482	11,482
Other revenue	7,896	309	8,205
Segment revenue	1,044,548	180,239	1,224,787
Elimination of intersegment sales	–	(11,482)	(11,482)
Other revenue	(7,896)	(309)	(8,205)
Revenue from contracts with customers	1,036,652	168,448	1,205,100

OTHER INCOME AND GAINS

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Bank interest income	**6,990**	6,550
Interest income from a loan to a related company	**7,500**	7,500
Exchange gain	**–**	497
Others	**6,791**	1,158
	21,281	15,705

5. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**33,316**	32,198
Depreciation of right-of-use assets	**6,658**	4,734
Employee benefit expense (including directors' remuneration)	**296,249**	332,708
Lease payments not included in the measurement of lease liabilities	**4,901**	1,875
Foreign exchange differences, net	**92**	(497)
(Reversal of impairment)/impairment of trade receivables	**(5,849)**	4,468

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on lease liabilities	**762**	5

7. INCOME TAX

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the period	**10,158**	14,787
Deferred	**1,104**	(1,367)
Total tax charge for the period	**11,262**	13,420

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

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

The calculation of the basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company of HK$45,878,000 (2025: HK$62,084,000) and the number of ordinary shares of 1,500,000,000 (2025: 1,500,000,000) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2026 and 2025.

9. DIVIDEND

The Board does not propose the payment of an interim dividend for the six months ended 30 June 2026 (2025: Nil).

The final dividend of HK2.0 cents per ordinary share for the year ended 31 December 2025 was approved by the Company's shareholders at the annual general meeting of the Company held on 3 June 2026 and paid on 7 July 2026.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment with a cost of HK$30,840,000 (2025: HK$46,353,000).

11. TRADE RECEIVABLES

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Trade receivables	**108,662**	134,814
Less: Impairment	**(11,390)**	(17,239)
	97,272	117,575

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 30 June 2026, the Group had certain concentration risk that may arise from the exposure to the largest customer and five largest customers, which accounted for 23.8% and 69.6% (31 December 2025: 16% and 57%) of the Group's total trade receivable balances, respectively.

11. TRADE RECEIVABLES *(continued)*

The 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:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	HK$'000	*HK$'000*
Current to 30 days	**90,744**	84,487
31 to 60 days	**6,528**	11,075
61 to 90 days	**–**	3,995
Over 90 days	**–**	18,018
	97,272	117,575

12. LOAN TO A RELATED COMPANY

The loan to a related company representing advance to Chinney Investments, Limited ("Chinney Investments") by the Company pursuant to a loan agreement dated 25 July 2024, which was renewed pursuant to a supplemental agreement to the Loan Agreement dated 4 May 2026. A controlling shareholder of the Company has a beneficial interest in Chinney Investments. As at 30 June 2026, the loan is unsecured, interest-bearing at 6% per annum and repayable on 7 October 2027, with an option to further extend for 12 months to 7 October 2028 subject to the approval of the Company.

Details of the transaction are set out in the section headed "CONNECTED TRANSACTIONS" of this announcement.

13. TRADE AND RETENTION MONIES PAYABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	HK$'000	*HK$'000*
Trade payables	**71,141**	61,766
Retention monies payable	**43,043**	49,253
	114,184	111,019

13. TRADE AND RETENTION MONIES PAYABLES *(continued)*

The 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:

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Trade payables		
Current to 30 days	**45,852**	44,372
31 to 60 days	**19,239**	8,147
61 to 90 days	**547**	1,093
Over 90 days	**5,503**	8,154
	71,141	61,766
Retention monies payable	**43,043**	49,253
	114,184	111,019

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

RESULTS

The Board is pleased to announce that the Group recorded a turnover of HK$703.6 million for the six months ended 30 June 2026 (2025: HK$1,205.1 million) and achieved a profit of HK$45.9 million (2025: HK$62.1 million).

INTERIM DIVIDEND

The Board does not propose the payment of an interim dividend for the six months ended 30 June 2026 (2025: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business and Operation Review

The Group is engaged in foundation construction and ancillary services (the "Foundation Division"), and drilling and site investigation works (the "Drilling Division") for both public and private sectors in Hong Kong.

As at 30 June 2026, the Group had 15 and 40 projects in progress with contract sums of approximately HK$2,650.7 million and HK$892.1 million in the Foundation and Drilling Divisions, respectively.

Revenue

The Group's revenue decreased by 41.6% from previous year's corresponding period of HK$1,205.1 million to current reporting period of HK$703.6 million, with a decrease of HK$501.5 million. The decrease of revenue was primarily attributed to our Foundation Division from last period of HK$1,036.7 million to current period under review of HK$519.2 million, with a decrease of HK$517.4 million or 49.9%. The decrease of revenue in the Foundation Division was due to higher-value contracts were progressing toward finalisation while securing new contracts on prudent and selective approach in the reporting period. The overall decrease of revenue was partly set-off by increase of revenue in Drilling Division from previous period of HK$168.4 million to current reporting period of HK$184.4 million, representing an increase of 9.5% or HK$16.0 million. The increase of revenue contribution from the Drilling Division was primarily due to satisfactory progress of certain sizeable drilling construction projects.

Gross profit and gross profit margin

The Group's total gross profit in the reporting period was HK$219.4 million as compared with the previous corresponding period of HK$189.5 million, representing an increase of HK$29.9 million or 15.8%. The gross profit margin of the Group increased from previous period of 15.7% to current reporting period of 31.2%. The increase in gross profit and the improvement in gross profit margin were primarily driven by the release of unused cost accruals in respect of certain foundation projects that were completed and finalised during the period. Actual costs incurred on these projects turned out lower than the previous estimates, reflecting effective project cost control and the settlement of final accounts. This release had a positive impact on the Group's gross margin for the period. The Group will continue to implement stringent project cost control by closely monitoring of the construction progress as well as the corresponding construction costs incurred in ensuring the maximisation of contract profits.

Other income and gains

The Group recorded other income and gains in the current reporting period of HK$21.3 million, representing an increase of HK$5.6 million or 35.5% as compared with the previous corresponding period of HK$15.7 million. The increase of other income and gains was mainly attributed from sales of certain construction materials of HK$6.6 million. Interest income earned by the Group from cash deposits with licensed banks increased from previous period of HK$6.6 million to current reporting period of HK$7.0 million due to increase 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 was HK$188.7 million in the reporting period, representing an increase of HK$63.4 million or 50.6% as compared with the previous corresponding period of HK$125.3 million. The increase of administrative expenses was mainly attributed to the increase in staff cost of HK$63.3 million (including a HK$50.0 million one-off bonus to a director) in the reporting period in recruiting and retaining competitive personnel as well as bonus to the directors in award for their contribution to the Group. The Group will persistently adopt stringent control policies in monitoring the administrative expenses.

Net profit

The Group's net profit in the reporting period was HK$45.9 million, representing a decrease of 26.1% or HK$16.2 million as compared with the previous corresponding period of HK$62.1 million. The decrease of net profit was mainly attributed to the increase in administrative expenses of HK$63.4 million, and partly set-off by increase in gross profit of HK$29.9 million being generated from construction projects, increase of other income and gains of HK$5.6 million, and reversal of impairment of trade receivables of HK$5.8 million for a specific customer in the current period.

Financial Review

Liquidity and financial resources

As at 30 June 2026, the Group had unpledged bank and time deposit balances of HK$778.9 million when comparing with HK$742.4 million as at 31 December 2025. The increase of bank and time deposit balances was primarily due to the net cash inflow from certain sizeable foundation as well as site investigation contracts and interest income received, after the capital payment of HK$30.8 million for the acquisition of plant and machineries. The Group had maintained a sound financial position and remained debt free during the period under review.

Funding and treasury policy

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

Contingent liabilities

As at 30 June 2026, the Group provided corporate guarantees and counter indemnities to certain banks and an insurance company for an aggregate amount of HK$230.4 million (31 December 2025: HK$237.4 million) for the issue of performance bonds in its ordinary course of business.

Employees and remuneration policies

As at 30 June 2026, the Group employed 615 staff in Hong Kong. The Group is proud of the professional foundation and drilling contracting teams 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

(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 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 (the "Loan") 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.

Details of the Loan Agreement and the transaction contemplated thereunder, were set out in the joint announcement of the Company and CAGL dated 25 July 2024 and the Company's circular dated 4 September 2024.

On 4 May 2026, the Company entered into a supplemental agreement to the Loan Agreement (the "Supplemental Agreement") with Chinney Investments where both parties agree to renew the maturity date of the Loan to 7 October 2027, with an option to further extend for 12 months to 7 October 2028 subject to the approval of the Company. The entering into of the Supplemental Agreement and the transactions contemplated thereunder constituted a connected transaction of the Company and CAGL under Chapter 14A of 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 24 June 2026.

Details of the Supplemental Agreement and the transaction contemplated thereunder were set out in the joint announcement of the Company and CAGL dated 4 May 2026 and the Company's circular dated 3 June 2026.

During the period for the six months ended 30 June 2026, interest income receivable/received by the Group under the Loan Agreement amounted to approximately HK$7.5 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 period ended 30 June 2026, services fees receivable/received by the Group under the Framework Agreement was Nil.

ADVANCES TO AN ENTITY PURSUANT TO RULE 13.13 AND 13.15 OF THE LISTING RULES

On 25 July 2024, the Company entered into the Loan Agreement with Chinney Investments, pursuant to which a term loan facility of up to HK$250,000,000 was granted to the borrower. On 4 May 2026, the Company entered into the Supplemental Agreement with Chinney Investments to renew the Loan Agreement.

As of 30 June 2026, the details of the advance to the entity required to be disclosed under Rule 13.15 of the Listing Rules are as follows:

- **Name of Borrower:** Chinney Investments, Limited, a connected person of the Company pursuant to Chapter 14A of the Listing Rules.

- **Size of Advance/Balance:** HK$250,000,000 outstanding as of the end of the reporting period, representing approximately 12.0% of the Company's consolidated total assets based on the latest published financial statements.

- **Terms of Repayment:** Repayable in full on 7 October 2027, with an option to further extend for 12 months to 7 October 2028 subject to the approval of the Company.

- **Interest Rate:** Charged at 6% per annum, payable on a quarterly basis.

- **Collateral/Security:** No security is provided by the Borrower.

- **Reason for Advance:** The advance and renewal allows the Group to earn/continue to earn a higher interest return compared to conventional time deposits offered by major banks and financial institutions. The Directors consider the terms to be fair and reasonable and in the interests of the Company and its shareholders as a whole.

OUTLOOK AND FUTURE PLANS

Hong Kong's economy expanded solidly in the second quarter of 2026, with real GDP rising 4.3% year-on-year, supported by external trade and domestic demand. Nevertheless, external uncertainties and lingering cost pressures continue to call for a cautious stance.

The 2026–27 Hong Kong Budget reaffirmed the government's commitment to long-term infrastructure and the Northern Metropolis. A number of major transport projects are expected to generate new tender opportunities, including the Smart and Green Mass Transit System in the Hung Shui Kiu/Ha Tsuen New Development Area, for which tenders are expected to be invited during the year. The Government is fast-tracking the Northern Metropolis Highway, prioritising the San Tin Section. Capital works expenditure is estimated at approximately HK$128 billion for 2026–27 and is expected to remain at a similar level over the medium term, with an additional HK$30 billion earmarked over the next two to three years to support public works. Recent construction output data underline the near-term challenges facing the foundation construction industry: private-sector site works declined 16.9% in 2025 to HK$70.7 billion and continued to fall in early 2026 (down 15.9% year-on-year in the first quarter), while overall construction output in 2025 contracted 1.4% in nominal terms. Public-sector works, by contrast, rose 10.2% in 2025 and remained the main stabilising force. Looking further ahead, the Construction Industry Council's April 2026 forecast projects total construction expenditure rising from a range of HK$270–315 billion in 2025/26 toward HK$305–360 billion by 2030/31, with the public sector reaching HK$200–235 billion and the private sector expected to resume growth from 2027–28 (reaching HK$105–125 billion by 2030/31). Land supply measures aim to provide capacity for around 98,000 private housing units over five years. These commitments support a cautiously optimistic longer-term outlook for the foundation construction market, even as 2026 is expected to remain subdued, particularly on the private side. Public sector infrastructure continues to offer the more reliable source of opportunities, while private sector pipelines remain constrained.

In anticipation of a slowdown in overall construction volume in 2026, the Group's strategic focus will shift decisively toward driving operational excellence and elevating quality standards through CKW 2.0 under the leadership of CKW Academy. Tender competition has intensified, particularly in the private sector, with aggressive bidding placing further pressure on industry margins. In response, the Group will maintain a prudent and selective approach, prioritising risk-adjusted returns, margin preservation, and careful management of exposure rather than pursuing volume for its own sake.

During the period, the Group secured a number of foundation, construction and ground investigation contracts across its principal business segments, reflecting its established market position and technical capabilities. These awards provide a solid operational foundation while supporting the Group's disciplined and selective tendering approach.

Our operational capabilities have been strengthened by an enlarged depot facility exceeding 200,000 sq.ft. Together with a short-term development waiver granted in May 2026, the Group maintains one of Hong Kong's most robust and well-equipped machinery fleets. This infrastructural base supports disciplined project delivery and helps differentiate the Group within the local foundation construction industry, where equipment readiness and operational resilience remain critical advantages.

Talent development and digital capability continue to receive focused attention. Through the CKW Academy, the Group is driving AI training and the measured implementation of AI applications across departments to enhance workflow efficiency and prepare the workforce for evolving operational demands. Professional development programmes in AI, IT upskilling, and continuing professional development remain integral to maintaining a skilled and adaptable team.

Segment performance is expected to remain uneven. Operational activity for bored pile construction works is likely to soften in 2026. In contrast, works under Everest Engineering Company Limited and drilling and site investigation activities under Drilling Division, DrilTech are anticipated to stay relatively stable, supported by ongoing efforts to broaden service capabilities and multi-disciplinary projects. Capital investment will continue to prioritise automation, modern equipment, and depot upgrades on a selective basis.

Workplace safety remains a core operational value. A consistent safety-first culture with enforcement of "No Supervision No Work" not only protects our people and reduces incident risk but also supports retention, client confidence, and competitive positioning in tenders. Guided by the ESG committee, initiatives in carbon monitoring, employee well-being, and community engagement will continue on a measured basis.

Infrastructure development, particularly progress related to the Northern Metropolis, underpins longer-term demand for foundation and related services in Hong Kong. While public works provide a steadier backdrop, private sector challenges and heightened competition persist. The Group therefore maintains a confident yet vigilant outlook for the foundation industry.

Looking ahead, the Group will concentrate on strengthening operational resilience, optimising resource allocation, and reinforcing risk controls to safeguard profitability. Selective pursuit of opportunities, continued investment in digital tools and talent, and disciplined execution will remain central. The Group is committed to sustainable value creation through a resilient business model and a steadfast focus on quality and operational excellence.

With our strengthened operational platform, disciplined management approach and experienced workforce, we remain well positioned to capture opportunities arising from Hong Kong's long-term infrastructure development and create sustainable value for shareholders.

CORPORATE GOVERNANCE

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 six months ended 30 June 2026.

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 as set out in Appendix C1 to the Listing Rules during the six months ended 30 June 2026.

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. Regular meetings have been held by the Audit Committee of the Company since its establishment and it meets at least twice each year to review and oversee the Group's auditing, financial reporting process, risk management and internal control. The Company's interim results for the six months ended 30 June 2026 have not been audited, but have been reviewed by the Audit Committee.

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 six months ended 30 June 2026.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to my fellow directors for their invaluable advice and unwavering support; to the Execution Panel for their strong leadership, strategic guidance and dedicated management of the Group's operations; and to our colleagues at all levels for their exceptional efforts and contributions. I also extend my heartfelt thanks to our shareholders, business partners, and other stakeholders for their steadfast support and loyalty, which are critical to our business development and continued success.

By Order of the Board
Yuen-Keung Chan
Chairman

Hong Kong, 26 August 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*