Unity Enterprise Holdings Limited
盈滙企業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2195)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM RESULTS HIGHLIGHTS

- Revenue decreased by approximately 4.2% to approximately HK$114.1 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately HK$119.1 million).
- Gross loss was approximately HK$3.2 million for the six months ended 30 June 2025 and turned to gross profit of approximately HK$1.1 million for the six months ended 30 June 2026.
- The Group recorded a loss attributable to equity holders of the Company of approximately HK$13.0 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately HK$15.5 million).
- Basic loss per share was approximately HK7.7 cents for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately HK12.1 cents).
- The Board has resolved not to recommend the declaration of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Unity Enterprise Holdings Limited (the "**Company**") is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026, together with the comparative unaudited figures for the corresponding period in 2025.

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		HK$'000	*HK$'000*
	Note	**(Unaudited)**	(Unaudited)
Revenue	*6*	**114,128**	119,135
Cost of services		**(113,013)**	(122,384)
Gross profit/(loss)		**1,115**	(3,249)
Other incomes and other loss	*7*	**497**	506
Administrative expenses		**(3,774)**	(3,875)
Loss allowances on trade receivables and contract assets		**(10,735)**	(8,853)
Finance costs	*8*	**(185)**	(73)
Loss before income tax	*9*	**(13,082)**	(15,544)
Income tax credit	*10*	**74**	8
Loss and total comprehensive expense for the period		**(13,008)**	(15,536)
Loss attributable to equity holders of the Company		**(13,008)**	(15,536)
			(Restated)
Loss per share attributable to equity holders of the Company Basic and diluted	*12*	**(HK7.7 cents)**	(HK12.1 cents)

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	**30 June 2026 HK$'000 (Unaudited)**	31 December 2025 HK$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*13*	**670**	1,080
Goodwill	*14*	**79,676**	79,676
Total non-current assets		**80,346**	80,756
Current assets			
Trade receivables	*15*	**116,439**	94,525
Contract assets	*16*	**28,665**	31,318
Deposits, prepayments and other receivables	*17*	**21,962**	29,031
Amount due from ultimate holding company		**200**	200
Amount due from a related company		**2,000**	2,000
Amounts due from directors		**–**	60
Cash and bank balances		**12,665**	13,038
Total current assets		**181,931**	170,172
Current liabilities			
Trade payables	*18*	**47,923**	37,338
Accrued liabilities and other payables	*19*	**73,207**	57,603
Amount due to a controlling shareholder		**740**	449
Amount due to a non-controlling shareholder		**440**	190
Promissory note	*20*	**56,456**	56,456
Bank borrowings		**4,315**	4,693
Lease liabilities		**258**	480
Tax payable		**603**	1,784
Total current liabilities		**183,942**	158,993
Net current (liabilities)/assets		**(2,011)**	11,179
Total assets less current liabilities		**78,335**	91,935

	Note	**30 June 2026** *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Non-current liabilities			
Bank borrowings		**956**	1,360
Lease liabilities		**116**	230
Deferred tax liabilities		**–**	74
Total non-current liabilities		**1,072**	1,664
NET ASSETS		**77,263**	90,271
EQUITY			
Equity attributable to owners of the Company			
Share capital	*21*	**16,914**	16,914
Reserves		**60,349**	73,357
TOTAL EQUITY		**77,263**	90,271

NOTES TO FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL

Unity Enterprise Holdings Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands on 13 March 2019 under the Companies Act (as revised) of the Cayman Islands. The address of the Company's registered office is P.O. Box 500, Suite 210, 2nd Floor, Windward III, Regatta office Park, Grand Cayman KY1-1106, Cayman Islands, and its principal place of business is Room 1610, 16/F., Horizon East, 1 Tsat Po Street, San Po Kong, Kowloon, Hong Kong

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 31 March 2021.

The principal activity of the Company is investment holding while its subsidiaries are principally engaged in provision of repair, maintenance, alteration and addition ("**RMAA**") works services, distributionship of building materials and provision of electric vehicle charging advising and installation in Hong Kong.

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Harvest Land Company Limited ("**Harvest Land**"), which is incorporated in the British Virgin Islands ("**BVI**").

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements (the "**unaudited interim financial statements**") are 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 the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange and the Hong Kong Companies Ordinance. These unaudited interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

The accounting policies and the basis of preparation adopted in the preparation of this unaudited interim financial statements are consistent with those adopted in the Group's annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which also include HKASs and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong and the disclosures requirements of the Hong Kong Companies Ordinance, except for the adoption of the amendments to HKFRSs as disclosed in note 3 below.

For the six months ended 30 June 2026, the Group recorded a net loss of approximately HK13,008,000 and as at 30 June 2026, the Group had net current liabilities of approximately HK2,011,000. These conditions indicate the existence of an uncertainty that may cast doubt on the Group's ability to continue as a going concern, and therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

In assessing the appropriateness of preparing the condensed consolidated financial statements on a going concern basis, the Directors have reviewed the Group's cash flow forecast covering a period of not less than 12 months from the end of the reporting period. In preparing the forecast, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing, taking into account the following plans and measures:

(i) the Group is currently in active negotiations with the holder of the promissory notes with a principal amount of approximately HK$56,456,000 to extend the maturity profile and not to demand repayment within the next 12 months;

(ii) the controlling shareholder of the Company has executed a letter of financial support to provide continuous financial and operational assistance to the Group, including providing additional working capital to enable the Group to meet its financial obligations as and when they fall due; and

(iii) the Group continues to implement stringent working capital control measures and defer non-essential capital expenditures.

Assuming the successful implementation of the above plans and measures, the Directors are of the opinion that the Group will have sufficient working capital to satisfy its present requirements for at least the next 12 months from 30 June 2026. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

These unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand ("**HK$'000**") except when otherwise indicated. These unaudited condensed consolidated interim financial statements have not been audited or reviewed by the Company's external auditors, but have been reviewed by the Company's audit committee.

3. ADOPTION OF HKFRSs

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**"), the accounting policies and methods of computation used in the condensed consolidated interim financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

Application of new and amendments of HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

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 application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and on the disclosures set out in these condensed consolidated financial statements.

4. ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

HKFRS 18	*Presentation and Disclosure in Financial Statement*[1]
HKFRS 19 and Amendments	Subsidiaries without Public Accountability: Disclosures[1]
HKAS 21	Amendments to HKAS 21 — Translation to a Hyperinflationary Presentation Currency[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between on Investor and its Associate or Joint Venture*[2]

[1] Effective for annual/reporting periods beginning on or after 1 January 2027
[2] No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's condensed interim consolidated financial statements.

5. OPERATING SEGMENT INFORMATION

Geographical Information

The Group's revenue is solely generated from, and non-current assets are located in, Hong Kong, based on the location of the relevant entities' operation.

Information about Major Customers

During the reporting period, revenue from major customers who contributed over 10% of the total revenue of the Group is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Customer A	**29,434**	29,858
Customer B	**18,826**	N/A*
Customer C	**18,500**	N/A*
Customer D	**13,111**	40,024
Customer E	**N/A***	24,108
Customer F	**N/A***	17,696

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

6. REVENUE AND SEGMENT INFORMATION

Revenue represents transaction price received and receivable for the provision of RMAA works, distributionship of building materials and provision of EV Advising and Installation services provided by the Group to customers. In January 2025, the Company acquired 100% equity interests in Suntec Construction & Engineering Limited ("**Suntec**") which is principally engaged in provision of RMAA works and EV Advising and Installation services in Hong Kong. In November 2025, the Company acquired 100% equity interests in Newco Construction Engineering Limited ("**Newco**") which is principally engaged in provision of contracting service for RMAA works in Hong Kong.

Disaggregation of Revenue

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Type of revenue		
RMAA	**109,948**	118,251
Distributorship of building materials	**2,114**	884
EV Advising and Installation services	**2,066**	–
	114,128	119,135
Timing of revenue recognition		
— Over time	**112,014**	118,251
— At a point in time	**2,114**	884
	114,128	119,135
Type of contract nature of RMAA and EV Advising and Installation revenue		
Project-based		
— Main contractor	**52,814**	48,400
— Subcontractor	**59,200**	69,851
	112,014	118,251
Type of developments of RMAA revenue		
Residential	**53,776**	77,495
Commercial and industrial	**50,388**	38,539
Institutional	**7,850**	2,217
	112,014	118,251

Revenue from contract with customers arose from provision of RMAA works and EV Advising and Installation services rendered in Hong Kong under long-term contracts, except for certain EV advising projects in which the contracts are short-term based, and was recognised over time during the year. All the Group's provision of RMAA works and EV Advising and Installation services is made directly with the customers. Contracts with the Group's customers are mainly fixed-price contracts.

Revenue from distributorship of building materials arose from sale of building materials in Hong Kong and was recognised when control of goods has transferred, being when the goods are delivered to the customers.

Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of reporting period.

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Provision of RMAA works and EV Advising and Installation services		
Expected to be recognised within one year	**148,432**	181,654
Expected to be recognised after one year	**64,000**	52,727
	212,432	234,381

Based on the information available to the Group at the end of each reporting period, the management of the Group expects the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts in respect of provision of RMAA works and EV Advising and Installation services as at 30 June 2026 has been/will be recognised as revenue in the subsequent 1 month to 24 months (31 December 2025: 1 month to 24 months).

7. OTHER INCOMES AND OTHER LOSS

The Group's other incomes and other loss recognised are as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Bank interest income	**2**	6
Non-operating service income *(note)*	**500**	500
Sundry income	**71**	–
Loss of disposal of property, plant and equipment	**(76)**	–
	497	506

Note: The amount represents the non-operation service income received from provision of water seepage and investigation and testing service to a company that owned by a related party of the Company.

8. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bank borrowings	**156**	56
Interest on lease liabilities	**29**	17
	185	73

9. LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses (including directors' remuneration):		
— Directors' fee	**180**	180
— Salaries, allowances and other benefits	**3,009**	3,347
— Contributions to retirement benefits schemes	**103**	110
Total employee benefit expenses	**3,292**	3,637
Depreciation of property, plant and equipment	**587**	307

The employee benefit expenses included in cost of services were approximately HK$1,646,000 (six months ended 30 June 2025: approximately HK$2,306,000) for the six months ended 30 June 2026.

10. INCOME TAX CREDIT

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "**BVI**"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

Under the two-tiered profits tax rates regime, Hong Kong Profits Tax of a qualified entity in the Group was provided at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million. The profits of the other Hong Kong subsidiary will be taxed at a flat rate of 16.5%.

11. DIVIDENDS

The Board has resolved not to recommend the declaration of an interim dividend for the six months ended 30 June 2026 and 2025.

12. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company of approximately HK$13,008,000 (six months ended 30 June 2025: approximately HK$15,536,000), and the weighted average number of ordinary shares of 169,143,000 (six months ended 30 June 2025: 128,595,000 (restated)) in issue during the six months ended 30 June 2026.

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the Company for the purpose of calculating loss per share	**(13,008)**	(15,536)

	Number of shares Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited) (Restated)
Shares		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**169,143,000**	128,595,000

The weighted average number of ordinary shares in issue and basic and diluted loss per share were stated after taking into account the effect of the share consolidation on 28 October 2025, whereby every 10 existing ordinary shares in the issued and unissued share capital of the Company were consolidated into 1 consolidated share. Comparative figures have been retrospectively adjusted on the assumption that the above share consolidation had been effective in prior year.

No adjustment has been made to the basic loss per share presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the Group had no potentially diluted ordinary shares in issue during those periods.

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group incurred capital expenditure of approximately HK$0.3 million (six months ended 30 June 2025: approximately HK$15,000) to acquire office equipment and motor vehicle.

14. GOODWILL

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Arising on acquisition of Wonder Group	**19,470**	19,470
Arising on acquisition of Suntec	**44,959**	44,959
Arising on acquisition of Newco	**34,717**	34,717
	99,146	99,146
Less: impairment loss on goodwill	**(19,470)**	(19,470)
	79,676	79,676

Goodwill arose on the acquisition because the acquisition included the assembled workforce and some potential contracts with customers as at the date of the acquisition. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisition is expected to be deductible for tax purposes.

Arising on acquisition of Wonder Group

On 30 April 2024, the Group acquired 100% equity interest of Wonder Group. Goodwill arising from the acquisition amounted to HK$19,470,000 which represented the excess of the consideration paid amounted to HK$22,000,000 over the fair value of the identifiable net assets of the acquired business amounted to HK$2,530,000, with reference to (i) the valuation prepared by an independent valuer which, according to such valuation report, as at 31 December 2023, the appraised value of 100% equity interest in the Wonder Group on the basis of the approach of Guideline Publicly-traded Comparable Method was approximately HK$22,000,000; (ii) historical financial performance of the Wonder Group for the year ended 31 December 2023; and (iii) the prospect of the Wonder Group and the potential synergies between the Wonder Group and the Company as assessed by the Company.

The recoverable amount of Wonder Group is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The cash flows are discounted using a discount rate of 7.8% (31 December 2025: 7.8%). The budgeted revenue and gross margin are made with reference to the actual results achieved in the year immediately before the budget year, taking into account the expected growth rate.

During the year ended 31 December 2025, the Group recognised an impairment loss on goodwill of approximately HK$19,470,000. The impairment was primarily driven by the unexpected decrease in number of tenders awarded by the Wonder Group, which resulted in a decrease in the forecast revenue and profit margins for the relevant cash-generating unit ("**CGU**"). Consequently, the carrying amount of the CGU was fully impaired. The impairment loss recognised is a non-cash item and did not impact the Group's daily operations or liquidity position.

Arising on acquisition of Suntec

On 8 January 2025, the Group acquired 100% equity interest of Suntec. Goodwill arising from the acquisition amounted to HK$44,959,000 which represented the excess of the consideration paid amounted to HK$45,700,000 over the fair value of the identifiable net assets of the acquired business amounted to HK$741,000, with reference to (i) the valuation prepared by an independent valuer which, according to such valuation report, as at 31 August 2024, the appraised value of 100% equity interest in Suntec on the basis of the approach of Guideline Publicly-traded Comparable Method was approximately HK$45,700,000; (ii) historical financial performance of Suntec for the years ended 31 December 2021, 2022 and 2023 and for the six months ended 30 June 2023 and 2024; and (iii) the prospect of Suntec and the potential synergies between Suntec and the Company as assessed by the Company.

The recoverable amount of Suntec is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The cash flows are discounted using a discount rate of 7.05% (31 December 2025: 7.05%). The budgeted revenue and gross margin are made with reference to the actual results achieved in the year immediately before the budget year, taking into account the expected growth rate. The average growth rate applied to the cash flow projections is 8.75% (31 December 2025: 8.75%). The gross margins applied to the cash flow projections is approximately 16.2%.

As at 30 June 2026, the recoverable amount of Suntec was determined to be higher than its carrying amount. Accordingly, no impairment loss was recognised during the year for goodwill arising from the acquisition.

Arising on acquisition of Newco

On 7 November 2025, the Group acquired 100% equity interest of Newco. Goodwill arising from the acquisition amounted to HK$34,717,000 which represented the excess of the consideration paid amounted to HK$35,000,000 over the fair value of the identifiable net assets of the acquired business amounted to HK$283,000, with reference to (i) the valuation prepared by an independent valuer which, according to such valuation report, as at 31 March 2025, the appraised value of 100% equity interest in Newco on the basis of the approach of Guideline Publicly-traded Comparable Method was approximately HK$35,000,000; (ii) historical financial performance of Newco for the years ended 31 March 2023, 2024 and 2025; and (iii) the prospect of Newco and the potential synergies between Newco and the Company as assessed by the Company.

The recoverable amount of Newco is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The cash flows are discounted using a discount rate of 7.05% (31 December 2025: 7.05%). The budgeted revenue and gross margin are made with reference to the actual results achieved in the year immediately before the budget year, taking into account the expected growth rate. The average growth rate applied to the cash flow projections is 7% (31 December 2025: 7%). The gross margins applied to the cash flow projections is approximately 10.6%.

As at 30 June 2026, the recoverable amount of Newco was determined to be higher than its carrying amount. Accordingly, no impairment loss was recognised during the year for goodwill arising from the acquisition.

15. TRADE RECEIVABLES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables, gross	**191,959**	154,779
Less: Loss allowances recognised	**(75,520)**	(60,254)
	116,439	94,525

The credit terms of the trade receivables are ranged from 30 days to 45 days from the date of invoice.

The ageing analysis of trade receivables net of loss allowances at the end of reporting period/year based on invoice date is as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one month	**22,541**	12,047
One to three months	**2,320**	25,474
More than three months but within one year	**25,694**	16,507
More than one year	**65,884**	40,497
	116,439	94,525

16. CONTRACT ASSETS

The following table provides information about contract assets from contracts with customers:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Contract assets		
— Retention receivables	**24,185**	35,052
— Unbilled revenue	**7,993**	4,310
Less: allowances for credit losses	**(3,513)**	(8,044)
	28,665	31,318

As at 30 June 2026, the amounts of contract assets that are expected to be recovered after one year are approximately HK$16,520,000 (31 December 2025: approximately HK$26,445,000).

17. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Rental, utilities and sundry deposits	**3,845**	3,344
Prepayment of construction costs	**14,368**	22,764
Other prepayments	**1,227**	400
Other receivables	**2,522**	2,523
	21,962	29,031

None of the above deposits and other receivables is either past due or impaired.

18. TRADE PAYABLES

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Trade payables	**47,923**	37,338

The credit term of the trade payables is 30 days from the date of invoice. The ageing analysis of trade payables based on the invoice date as of the end of the reporting period/year is as follows:

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Within one month	**9,433**	5,833
One to three months	**1,350**	4,826
More than three months	**37,140**	26,679
	47,923	37,338

19. ACCRUED LIABILITIES AND OTHER PAYABLES

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Retention payables	**8,039**	7,715
Other payables and accruals	**14,769**	15,592
Accrued contract costs	**50,399**	34,296
	73,207	57,603

As at 30 June 2026, the retention payables that are expected to be settled after one year are approximately HK$1,531,000 (31 December 2025: approximately HK$1,649,000).

20. PROMISSORY NOTES

In January 2025, the Company issued promissory notes of fair value of approximately HK$32,310,000 in Hong Kong which is part of consideration to acquire the equity interest in Suntec. The promissory notes are transferable and have a maturity date of two years since issuance and do not carry interest. The Company may redeem all or part of the promissory notes at any time to the maturity date at 100% of the face value of the promissory notes.

In November 2025, the Company issued promissory notes of fair value of approximately HK$24,146,000 in Hong Kong which is part of consideration to acquire the equity interest in Newco. The promissory notes are transferable and have a maturity date of 18 months since issuance and do not carry interest. The Company may redeem all or part of the promissory notes at any time to the maturity date at 100% of the face value of the promissory notes.

During the six months ended 30 June 2026, the Company has not repaid any principal.

21. SHARE CAPITAL

	Number of ordinary shares	Amount
		HK$'000
Authorised		
Ordinary shares of HK$0.1 (2024: HK$0.01) each		
At 1 January 2024 and 31 December 2024	10,000,000,000	100,000
Effect on share consolidation *(note)*	(9,000,000,000)	(90,000)
At 31 December 2025 and 30 June 2026	1,000,000,000	10,000
Issued and fully paid		
Ordinary shares of HK$0.1 each		
At 1 January 2024	1,000,000,000	10,000
Issuance of shares in consideration for the acquisition of subsidiaries on 30 April 2024	174,603,175	1,746
At 31 December 2024	1,174,603,175	11,746
Issuance of shares in consideration for the acquisition of Suntec	234,920,635	2,349
	1,409,523,810	14,095
Effect on share consolidation *(note)*	(1,268,571,429)	–
	140,952,381	14,095
Issuance of shares in consideration for the acquisition of Newco	28,190,476	2,819
As at 31 December 2025 and 30 June 2026	169,142,857	16,914

Note: On 28 October 2025, the share consolidation was effective which is on the basis that every 10 existing ordinary shares in the issued and unissued share capital of the Company be consolidated into 1 consolidated share, the existing ordinary shares in the issued and unissued share capital of the Company of 10,000,000,000 have been consolidated into 1,000,000,000 consolidated shares.

BUSINESS REVIEW

The Group is a contractor specialising in repair, maintenance, alteration and addition ("**RMAA**") works in Hong Kong. The Group undertook repair and maintenance services, involving the upkeep, restoration and improvement of existing buildings and facilities, including the services of re-roofing, external and internal walls refurbishment, floor screeding and retiling, spalling repair, scaffolding, repairing and replacement of windows and door, plastering, painting, improvement of fire services system, plumbing and drainage works and the Group also provided additional ancillary services, such as alteration and addition works of building layout and structural works, design of new structural works and checking of structural adequacy of existing constructions and interior decoration works to the existing premises. After acquisitions, the Group also engaged in provision of EV Advising and Installation services and the distributionship of building materials in Hong Kong.

For the six months ended 30 June 2026, the Group's total revenue decreased by approximately HK$5.0 million, or 4.2%, from approximately HK$119.1 million for the six months ended 30 June 2025 to approximately HK$114.1 million for the six months ended 30 June 2026. The decline in revenue was primarily driven by the following adverse market conditions. First, a contraction in market demand caused a marked slowdown in the local construction and engineering sector. Facing broader economic uncertainty, property developers and investors scaled back capital expenditure, leading to project delays, scope reductions, and a smaller volume of available tenders across Hong Kong. Second, heightened price competition emerged as fewer market opportunities intensified rivalry among local engineering contractors. Widespread aggressive bidding put severe pressure on tender margins, limiting the Group's ability to maintain high revenue levels without accepting unviable financial risks. Third, customer caution and operational delays slowed overall progress, as developers and property owners adopted highly conservative cash-management strategies that led to prolonged budget approvals, extended contract negotiations, and deferred project start dates.

Despite these operational headwinds, the Group leveraged its market reputation, technical capabilities, and established track record to secure several key project awards during the six months ended 30 June 2026. These key projects included a large-scale industrial facility contract for a logistics center in Kwai Chung that expands the Group's presence in modern supply-chain infrastructure, a significant repair and maintenance contract for the Mei Foo residential estate, and a specialized commercial contract for a hotel development in Kwun Tong.

As at 30 June 2026, the Group had 40 projects (31 December 2025: 86 projects) on hand with backlog value of approximately HK$212.4 million (31 December 2025: approximately HK$234.4 million).

Prospects

Despite temporary economic headwinds and a cautious property market, the outlook for Hong Kong's Repair, Maintenance, Alteration and Addition sector remains resilient. Demand is consistently supported by a massive stock of aging buildings requiring mandatory statutory inspections. Although intensified market competition and cautious developer spending will continue to put pressure on tender margins, RMAA contractors, backed by ongoing government support, are well-positioned to maintain stable project volumes and secure steady revenue over the coming years.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026, the Group's unaudited consolidated revenue amounted to approximately HK$114.1 million (six months ended 30 June 2025: approximately HK$119.1 million). The decrease in revenue of approximately 4.2% was mainly caused by several major projects creating a high comparison baseline during the six months ended 30 June 2025.

Gross Profit/(Loss) and Gross Profit Margin

For the six months ended 30 June 2026, the gross profit amounted to approximately HK$1.1 million (six months ended 30 June 2025: gross loss of approximately HK$3.2 million). The turnaround from a gross loss to a gross profit was mainly driven by the more effective cost control and a reduction in project cost overruns, which ultimately improved gross profit.

The gross profit margin was approximately 1.0% for the six months ended 30 June 2026. Gross profit margin was not applicable for the six months ended 30 June 2025.

Other Incomes and other loss

For the six months ended 30 June 2026, the net other income and other loss amounted to approximately HK$0.5 million, which mainly included the non-operating service income from a related company amounting to approximately HK$0.5 million and the sundry income of approximately HK$71,000, offsetting by the loss of disposal of property, plant and equipment of approximately HK$76,000.

For the six months ended 30 June 2025, the other incomes amounted to approximately HK$0.5 million, which included the bank interest income of approximately HK$6,000 and the non-operating service income received from provision of water seepage investigation and testing service of approximately HK$0.5 million.

Administrative Expenses

Administrative expenses primarily comprise staff costs, depreciation, office expenses, audit fee and professional fees. The administrative expenses decreased from approximately HK$3.9 million for the six months ended 30 June 2025 to approximately HK$3.8 million for the six months ended 30 June 2026, representing a decrease of approximately HK$0.1 million or 2.6%. Such decrease was mainly caused by the decrease in professional fees.

Finance Costs

The Group's finance costs amounted to approximately HK$185,000 (six months ended 30 June 2025: approximately HK$73,000) for the six months ended 30 June 2026. The increase in finance costs was mainly caused by the increase in interest on bank borrowings.

Income Tax Credit

The income tax credit was approximately HK$74,000 (six months ended 30 June 2025: approximately HK$8,000) for the six months ended 30 June 2026 due to the change of deferred tax liabilities.

Loss and Total Comprehensive Expense for the Period

The loss and total comprehensive expense for the period decreased from approximately HK$15.5 million for the six months ended 30 June 2025 to approximately HK$13.0 million for the six months ended 30 June 2026, representing a decrease of approximately HK$2.5 million or 16.3%. Such decrease was mainly contributed by the improvement in gross profit partially offset by the increase in loss allowances on trade receivables and contract assets.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The liquidity requirements are primarily attributable to the working capital for the business operations. The principal sources of liquidity are cash generated from the operations, the proceeds from the listing of the ordinary shares of the Company (the "**Share(s)**"), bank borrowing and promissory notes. As at 30 June 2026, the Group recorded net current liabilities of approximately HK$2.0 million (31 December 2025: net current assets of approximately HK$11.2 million), cash and bank balances of approximately HK$12.7 million (31 December 2025: approximately HK$13.0 million). The cash and bank balances were denominated in Hong Kong dollars. The Shares were listed on Main Board of the Stock Exchange on 31 March 2021 (the "**Listing**"). As at 30 June 2026, the capital structure of the Company comprised mainly issued share capital and reserves. The Group also deployed bank borrowing and promissory note as its financial resources.

Bank Borrowings and Promissory Notes

Bank borrowings as at 30 June 2026 amounted to approximately HK$5.3 million (31 December 2025: approximately HK$6.1 million). The bank borrowings were denominated in Hong Kong dollars and bear interest at floating rates.

As at 30 June 2026, the Group had promissory notes of approximately HK$56.5 million (31 December 2025: approximately HK$56.5 million). The promissory notes are transferable and have maturity dates of 18 to 24 months since issuance and do not carry interest. The Company may redeem all or part of the promissory notes at any time to the maturity date at 100% of the face value of the promissory notes.

Gearing Ratio

The gearing ratio is calculated as bank borrowings and promissory notes divided by the total equity. The Group's gearing ratio was 79.9% and 69.3% as at 30 June 2026 and 31 December 2025, respectively. Such increase was caused by the decrease in total equity as at 30 June 2026.

Net Debt to Equity Ratio

Net debt to equity ratio is calculated as net debts (i.e. bank borrowing and promissory note, net of cash and cash equivalents) divided by the total equity. The net debt to equity ratio was approximately 63.5% and 54.8% as at 30 June 2026 and 31 December 2025, respectively. Such increase was caused by the decrease in total equity as at 30 June 2026.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

Capital Expenditures

For the six months ended 30 June 2026, the Group incurred capital expenditures of approximately HK$0.3 million (six months ended 30 June 2025: approximately HK$15,000) to acquire the office equipments and motor vehicle.

CONTINGENT LIABILITIES

In the ordinary course of the Group's business, the Group has been subject to a number of claims of personal injuries suffered by employees of the Group or of the Group's subcontractors in accidents arising out of and in the course of their employment. The Directors are of the opinion that such claims are substantially covered by insurance and would not result in material adverse impact on the financial position or results and operations of the Group.

At the end of each reporting period, the Group had outstanding performance bonds as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Performance bonds for guarantee of completion of projects issued by insurance companies	**6,613**	6,613

FOREIGN EXCHANGE EXPOSURE

The Group has a minimal exposure to foreign currency risk as most of the business transactions and assets and liabilities of the Group are principally denominated in Hong Kong Dollar. As such, the Directors consider the Group's risk in foreign exchange is insignificant and no foreign exchange hedging was conducted by the Group during the six months ended 30 June 2026.

SUBSEQUENT EVENTS

There was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors after the six months ended 30 June 2026 and up to the date of this announcement.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

There were no material acquisitions or disposals of subsidiaries and associated companies and joint ventures during the six months ended 30 June 2026.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had 18 employees (31 December 2025: 22 employees) who were directly employed by the Group and based in Hong Kong. The Group offers remuneration package to the employees which includes salary and bonuses. Generally, the Group considers employees' salaries based on each of their qualifications, position and seniority. The Company has an annual review system to appraise the performance of the employees, which constitutes the grounds of our decision as to the salary raises, bonuses and promotions. The remuneration of the Directors is decided by the Board upon the recommendation from the remuneration committee of the Company having regard to the Group's operating results, individual performance and comparable market statistics.

DIVIDEND

The Board has resolved not to recommend the declaration of an interim dividend for the six months ended 30 June 2026 and 2025.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at the 30 June 2026, the Group did not have other plans for material investments and capital assets.

CORPORATE GOVERNANCE CODE

The Group is committed to ensuring high standards of corporate governance and business practices. The Company had adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Listing Rules as its own corporate governance code. Mr. Chan Leung will perform both of the roles as the chairman and the chief executive officer of the Company. This deviates from code provision C.2.1 of the CG Code, which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The Board currently comprises an executive Director and three independent non-executive Directors and therefore has a fairly strong independence in its composition, and they meet regularly to discuss issues relating to the operation of the Company in order to provide adequate safeguards to protect the interests of the Company and its Shareholders. In addition, after taking into account the past experience of Mr. Chan Leung, the Board is of the opinion that vesting the roles of the chairman and the chief executive officer of the Company in Mr. Chan Leung helps to facilitate the execution of the Group's business strategies and enhance the effectiveness of its operation. Hence, the aforesaid deviation is appropriate and in the best interest of the Company at the present stage.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the required standard for securities transactions by Directors. All Directors, after specific enquiries by the Company, confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2026.

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

No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries during the six months ended 30 June 2026.

COMPETING INTERESTS

The controlling shareholders, namely Harvest Land and Mr. Yeung (collectively, the "**Controlling Shareholder(s)**") had entered into the deed of non-competition in favour of the Company on 18 March 2021 (the "**Non-competition Undertaking**"). Each of the Controlling Shareholders has confirmed that he/it had complied with the Non-Competition Undertaking during the six months ended 30 June 2026 and up to the date of this announcement. The independent non-executive Directors have reviewed that state of compliance of each of the Controlling Shareholder with the Non-competition Undertaking and as far as the independent non-executive Directors can ascertain, there has been no breach of the undertakings given in the Non-competition Undertaking by the Controlling Shareholders during the six months ended 30 June 2026 and up to the date of this announcement.

CONNECTED AND RELATED PARTY TRANSACTION

On 23 February 2026, Hong Dau Construction Company Limited ("**Hong Dau**"), an indirect wholly-owned subsidiary of the Company, and Arcana Water Seepage Investigation Co. Limited ("**Arcana**") entered into the Framework Service Agreement, pursuant to which Arcana (as contractor) may subcontract construction-related services to the Group (as sub-contractor) from time to time for a term commencing from 1 March 2026 and ending on 31 December 2028 (both dates inclusive), subject to the annual caps of HK$9,500,000, HK$9,900,000 and HK$9,900,000 for the period/years ending 31 December 2026, 2027 and 2028, respectively.

As Arcana is wholly owned by Ms. Yu So Yin, being the spouse of Mr. Yeung Wing Sun and therefore a connected person of the Company under Chapter14A of the Listing Rules, Arcana is also an associate of a connected person and therefore a connected person of the Company. The transactions contemplated under the Framework Service Agreement constitute continuing connected transactions of the Company. Further details of the aforementioned continuing connected transactions are set out in the announcement of the Company dated 23 February 2026.

REVIEW OF INTERIM FINANCIAL RESULTS BY AUDIT COMMITTEE

The unaudited interim consolidated financial information of the Group for the six months ended 30 June 2026 and the accounting information given in this interim result announcement has not been audited by the Company's external auditor but has been reviewed by the audit committee of the Company, which was of the opinion that the preparation of such accounting information complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the Company's website at www.hongdau.com.hk and the Stock Exchange's website at www.hkexnews.hk. The interim report of the Company for the six months ended 30 June 2026 will be published on the websites of both the Stock Exchange and the Company in due course in the manner as required by the Listing Rules.

APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business associates and other professional parties for their support throughout the period.

On behalf of the Board
Chan Leung
Chairman and Executive Director

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises Mr. Chan Leung (Chairman and Chief Executive Officer) as executive Director; and Ms. Chan Mei Wah, Mr. Mak Alexander and Mr. Wu Hak Ping as independent non-executive directors.