建鵬
KIN PANG

# Kin Pang Holdings Limited
# 建鵬控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1722)**

# INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

## INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Kin Pang Holdings Limited (the "**Company**") is hereby to announce the unaudited condensed consolidated financial information of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 together with the comparative figures for the corresponding period in 2025.

The financial information set out below in this announcement represents an extract from the condensed consolidated financial statements for the six months ended 30 June 2026, which are unaudited, but have been reviewed by the Company's audit committee.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2026*

| | | Six months ended 30 June | |
|---|---|---|---|
| | | **2026** | 2025 |
| | *Notes* | ***MOP'000*** | *MOP'000* |
| | | **(Unaudited)** | (Unaudited) |
| Revenue | 4 | **170,700** | 348,671 |
| Direct costs | 6 | **(180,693)** | (333,333) |
| **Gross (loss)/profit** | | **(9,993)** | 15,338 |
| Other income and other gains | 5 | **1,489** | 1,097 |
| Administrative expenses | 6 | **(14,921)** | (13,538) |
| (Provision for)/reversal of impairment losses of financial assets under expected credit loss model | | **(15)** | 121 |
| **Operating (loss)/profit** | | **(23,440)** | 3,018 |
| Finance costs | 7 | **(2,111)** | (2,136) |
| Share of results of investments accounted for using the equity method | | **(4)** | – |
| **(Loss)/profit before income tax** | | **(25,555)** | 882 |
| Income tax expense | 8 | **–** | (455) |
| **(Loss)/profit and total comprehensive (loss)/income for the period attributable to owners of the Company** | | **(25,555)** | 427 |
| **(Loss)/earnings per share attributable to owners of the Company** *(in MOP cents)* | | | |
| Basic and diluted | 10 | **(2.32)** | 0.04 |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2026*

| | *Notes* | **As at 30 June 2026** ***MOP'000*** **(Unaudited)** | As at 31 December 2025 *MOP'000* (Audited) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **105,510** | 120,046 |
| Right-of-use assets | | **5,012** | 6,537 |
| Deposits | | **788** | 858 |
| Investments accounted for using the equity method | | **10** | 14 |
| | | **111,320** | 127,455 |
| **Current assets** | | | |
| Trade receivables | 11 | **20,110** | 58,663 |
| Prepayments, deposits, and other receivables | | **21,865** | 15,480 |
| Contract assets | | **154,513** | 188,209 |
| Amounts due from joint operations | | **–** | 214 |
| Amounts due from joint ventures | | **11,928** | – |
| Pledged and fixed bank deposits | | **24,980** | 27,640 |
| Cash and cash equivalents | | **11,871** | 19,099 |
| | | **245,267** | 309,305 |
| **Total assets** | | **356,587** | 436,760 |
| **EQUITY** | | | |
| **Equity attributable to owners of the Company** | | | |
| Share capital | | **11,330** | 11,330 |
| Reserves | | **104,117** | 129,672 |
| **Total equity** | | **115,447** | 141,002 |

| | Notes | As at 30 June 2026 MOP'000 (Unaudited) | As at 31 December 2025 MOP'000 (Audited) |
|---|---|---|---|
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Lease liabilities | | **2,637** | 3,788 |
| | | **2,637** | 3,788 |
| **Current liabilities** | | | |
| Trade and other payables | 12 | **143,601** | 171,160 |
| Contract liabilities | | **7,593** | 10,020 |
| Amounts due to joint operations | | **4,967** | 3,931 |
| Income tax payable | | **228** | 228 |
| Bank borrowings | 13 | **79,574** | 103,661 |
| Deferred government grants | | **–** | 74 |
| Lease liabilities | | **2,540** | 2,896 |
| | | **238,503** | 291,970 |
| **Total liabilities** | | **241,140** | 295,758 |
| **Total equity and liabilities** | | **356,587** | 436,760 |

# NOTES

## 1. GENERAL INFORMATION

Kin Pang Holdings Limited (the "**Company**") is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its immediate and ultimate parent is Fortunate Year Investments Limited, a company incorporated in the British Virgin Islands (the "**BVI**") with limited liability. Its ultimate controlling party is Mr. Kong Kin I ("**Mr. Kong**"), who is also the Chairman and Chief Executive Officer of the Company, and Ms. Choi Fong Lan ("**Ms. Choi**"), the spouse of Mr. Kong.

The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business in Hong Kong is located at Unit B, 23/F, Centre Mark II, 305–313 Queen's Road Central, Hong Kong. The headquarter in Macau is located at L17 Pak Tak (China Civil Plaza), No. 249–263 Alameda, Dr. Carlos d'Assumpção, Macau.

The principal activity of the Company and its subsidiaries (collectively, the "**Group**") is the provision of civil engineering in Macau and Hong Kong.

These unaudited condensed consolidated financial statements are presented in thousands of Macau Pataca ("**MOP'000**"), unless otherwise stated.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

**Application of amendments to HKFRS Accounting Standards**

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

| | |
|---|---|
| HKFRS 9 and HKFRS7 | Classification and Measurement of Financial Instruments (Amendments) |
| HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 | Annual Improvements to HKFRS Accounting Standards |

The application of amendments to HKFRS Accounting Standards in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

**Going concern**

The Group reported a net loss of approximately MOP25,555,000 for the six months ended 30 June 2026 and as of that date, the Group breached a financial covenant associated with a bank borrowing amounted to approximately MOP5,150,000. It triggered cross-defaults of other bank borrowings of approximately MOP27,726,000, while its cash and cash equivalents amounted to approximately MOP11,871,000 only. The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the Directors have given careful consideration of the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient resources to continue as a going concern. The Directors have reviewed the Group's cash flow projections prepared by management, covering a period of not less than twelve months from 30 June 2026 taking into consideration the following plans and measures:

(i) The Group obtained a new banking facility of MOP35,000,000 for project financing purposes during the period for the six months ended 30 June 2026 and has successfully drawn down MOP10,000,000 as at the date of this announcement. The directors are confident that the Group could draw down the remaining balance of MOP25,000,000, as and when needed;

(ii) The Group has repaid the aforesaid banking borrowing of approximately MOP2,060,000 in August 2026 and plans to repay the remaining amount of approximately MOP3,090,000 if the relevant bank demands the Group for immediate repayment, otherwise the Group will repay the aforesaid bank borrowing by November 2026 according to the original repayment schedule. Upon such repayment, the Group expects that the cross-default clauses of the other bank borrowings of approximately MOP27,726,000 will no longer be breached. Based on the recent discussion between management and the bank related to the bank borrowings with cross-default clauses and the Company's experience with the bank under a similar situation in prior years, the Directors are of the opinion that the bank will not exercise its right under the relevant cross-default clauses for the demand of immediate repayment of the bank borrowings and believe that the bank borrowings will be repaid in accordance with the scheduled dates as set out in the relevant loan agreements;

(iii) Mr. Kong Kin I, the ultimate controlling party, has issued a letter to the Group and agrees to provide financial support to the Group for a period up to 30 September 2027 and take measures to enable the Group to have sufficient working capital to meet its liabilities and obligations as and when they fall due and to carry on its business without a significant curtailment of operations;

(iv) Several banking facilities have been renewed during the period for the six months ended 30 June 2026 and before the date of this announcement. Given the good track records and relationship the Group has with the banks, the Directors are of the opinion that the Group will be able to renew the existing banking facilities with the banks when their current terms expire and to secure new bank borrowings, as and when needed; and

(v) The Group will continue its efforts to generate operating cash inflows by implementing cost control and measures, expediting the collection of trade receivables and contract assets while closely monitoring its operation and take appropriate actions when necessary.

In the opinion of the Directors, in light of the above plans and measures, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming twelve months from 30 June 2026. Accordingly, the Directors are satisfied that it is appropriate to prepare the unaudited condensed consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainty exists as to whether management of the Group can achieve all of the plans and measures described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to obtain financial support from Mr. Kong Kin I as and when needed, secure various sources of short-term or long-term financing as and when required and to generate operating cash inflows in the expected timeframe from its projects.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the unaudited condensed consolidated financial statements.

## 3. SEGMENT INFORMATION

The Group's chief operating decision maker (the "CODM"), which has been identified as the management of the Group, considers the segment from a business perspective and monitors the operating results of its operating segment for the purpose of making decisions about resources allocation and performance assessment.

The Group is principally engaged in provision of building and ancillary services in Macau and Hong Kong. The CODM reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the CODM regards that there is only one segment which is used to make strategic decisions. Revenue and loss before income tax are the measure reported to the CODM for the purpose of resources allocation and performance assessment.

### Geographical information

*(a)* ***Revenue from external customers***

The Group's revenue from external customers by geographical area, which is determined by the country/region where the services were provided, is as follows:

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***MOP'000*** | *MOP'000* |
| | **(Unaudited)** | (Unaudited) |
| Macau | **143,828** | 227,360 |
| Hong Kong | **26,872** | 71,311 |
| | **170,700** | 348,671 |

*(b)* ***Non-current assets***

The Group's non-current assets by geographic area and excluding financial instruments are as follows:

| | **At 30 June** | At 31 December |
|---|---|---|
| | **2026** | 2025 |
| | ***MOP'000*** | *MOP'000* |
| | **(Unaudited)** | (Audited) |
| Macau | **104,848** | 122,911 |
| Hong Kong | **5,684** | 3,686 |
| | **110,532** | 126,597 |

*Key customers*

For the six months ended 30 June 2026, there was one customer (six months ended 30 June 2025: three) which individually contributed over 10% of the Group's total revenue, the revenue contributed from these customers is as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***MOP'000*** | *MOP'000* |
| | **(Unaudited)** | (Unaudited) |
| Customer A | **N/A*** | 104,956 |
| Customer B | **N/A*** | 52,458 |
| Customer C | **N/A*** | 42,943 |
| Customer D | **73,518** | N/A* |

* Less than 10% of the Group's total revenue.

## 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

**Disaggregation of revenue from contracts with external customers**

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***MOP'000*** | *MOP'000* |
| | **(Unaudited)** | (Unaudited) |
| Recognised over time | | |
| – Building and ancillary services | **170,700** | 348,671 |

***Transaction price allocated to the remaining performance obligation for contracts with customers***

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) in respect of building and ancillary services as at 30 June 2026 and the expected timing of recognising revenue are as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***MOP'000*** | *MOP'000* |
| | **(Unaudited)** | (Unaudited) |
| Within one year | **300,035** | 371,059 |
| More than one year but not more than two years | **165,669** | 323,790 |
| | **465,704** | 694,849 |

## 5. OTHER INCOME AND OTHER GAINS

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***MOP’000*** | *MOP’000* |
| | **(Unaudited)** | (Unaudited) |
| Interest income | **189** | 221 |
| Income from provision of manpower services | **3** | 449 |
| Gain on disposal of property, plant and equipment | **36** | 76 |
| Gain on sales of scrap materials | **684** | 28 |
| One-off government grants | **165** | – |
| Amortisation of deferred government grants | **74** | 82 |
| Service income from joint ventures | **210** | 96 |
| Sundry income | **128** | 145 |
| | **1,489** | 1,097 |

## 6. EXPENSES BY NATURE

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***MOP’000*** | *MOP’000* |
| | **(Unaudited)** | (Unaudited) |
| Material and subcontractor costs | **114,244** | 244,023 |
| Depreciation of property, plant and equipment | **16,295** | 15,643 |
| Depreciation of right-of-use assets | **1,689** | 1,471 |
| Employee benefit costs (including directors’ emolument) | **46,573** | 62,689 |
| Legal and professional fees | **2,497** | 2,327 |
| Expense relating to short-term leases | **5,748** | 10,683 |
| Transportation and delivery costs | **1,207** | 1,568 |
| Others | **7,361** | 8,467 |
| Total direct costs and administrative expenses | **195,614** | 346,871 |

## 7. FINANCE COSTS

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***MOP’000*** | *MOP’000* |
| | **(Unaudited)** | (Unaudited) |
| Interest expense on borrowings | **1,912** | 2,036 |
| Interest expense on lease liabilities | **199** | 100 |
| | **2,111** | 2,136 |

## 8. INCOME TAX EXPENSE

No provision for Macau Complementary Tax has been made as the Group has no assessable profits arising in Macau during the six months ended 30 June 2026 (six months ended 30 June 2025: provided at 12% on the estimated assessable profits above MOP600,000).

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands or the BVI for both periods.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits arising in Hong Kong for both periods.

An analysis of the income tax expense is as follows:

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***MOP'000*** | *MOP'000* |
| | **(Unaudited)** | (Unaudited) |
| Current tax | | |
| Macau Complementary Tax | **–** | 455 |

## 9. DIVIDENDS

The Board resolved not to declare payment of any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

## 10. (LOSS)/EARNINGS PER SHARE

### (a) Basic (loss)/earnings per share

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

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| (Loss)/profit attributable to owners of the Company *(MOP'000)* | **(25,555)** | 427 |
| Weighted average number of ordinary shares for the purpose of basic earnings per share *(in thousands)* | **1,100,000** | 1,100,000 |
| Basic (loss)/earnings per share *(MOP cents)* | **(2.32)** | 0.04 |

### (b) Diluted (loss)/earnings per share

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

## 11. TRADE RECEIVABLES

| | **At 30 June 2026** *MOP'000* **(Unaudited)** | At 31 December 2025 *MOP'000* (Audited) |
|---|---|---|
| Trade receivables – contracts with customers | **20,652** | 59,449 |
| Less: Loss allowance | **(542)** | (786) |
| | **20,110** | 58,663 |

The Group generally allows credit period of 0 to 60 days to its customers. The ageing analysis of the trade receivables based on invoice date is as follows:

| | **At 30 June 2026** *MOP'000* **(Unaudited)** | At 31 December 2025 *MOP'000* (Audited) |
|---|---|---|
| 0 to 30 days | **14,744** | 45,443 |
| 31 to 60 days | **1,462** | 9,231 |
| 61 to 90 days | **1,261** | 1,541 |
| Over 90 days | **3,185** | 3,234 |
| | **20,652** | 59,449 |

The Group does not hold any collateral over these balances.

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The movement in lifetime expected credit loss that has been recognised for trade receivables under the simplified approach is as follows:

| | **At 30 June 2026** *MOP'000* **(Unaudited)** | At 31 December 2025 *MOP'000* (Audited) |
|---|---|---|
| At beginning of the period/year | **786** | 678 |
| (Reversal of)/provision for impairment losses | **(244)** | 108 |
| At end of the period/year | **542** | 786 |

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

| | **At 30 June 2026** | At 31 December 2025 |
|---|---|---|
| | ***MOP'000*** | *MOP'000* |
| | **(Unaudited)** | (Audited) |
| MOP | **20,110** | 52,624 |
| HK$ | **–** | 6,039 |
| | **20,110** | 58,663 |

## 12. TRADE AND OTHER PAYABLES

| | **At 30 June 2026** | At 31 December 2025 |
|---|---|---|
| | ***MOP'000*** | *MOP'000* |
| | **(Unaudited)** | (Audited) |
| Trade payables *(Note a)* | **92,286** | 123,655 |
| Retention payables *(Note b)* | **35,307** | 32,463 |
| Salaries payable | **7,784** | 9,768 |
| Accruals and other payables | **8,224** | 5,274 |
| | **143,601** | 171,160 |

*Notes:*

(a) The credit period granted to the Group by suppliers/subcontractors normally ranges from 0 to 60 days. The ageing analysis of the trade payables based on invoice date is as follows:

| | **At 30 June 2026** | At 31 December 2025 |
|---|---|---|
| | ***MOP'000*** | *MOP'000* |
| | **(Unaudited)** | (Audited) |
| 0 to 30 days | **37,275** | 64,244 |
| 31 to 60 days | **5,145** | 8,313 |
| 61 to 90 days | **4,668** | 8,190 |
| Over 90 days | **45,198** | 42,908 |
| | **92,286** | 123,655 |

(b) Retention payables to subcontractors are interest-free and payable at the end of the defect liability period of individual contracts. All retention payables, after the expiry date of the defect liability period, are expected to be settled within one year.

The Group classifies these retention payables as current because the Group expects to settle them in its normal operating cycle.

The retention payables by due dates are as follows:

| | **At 30 June 2026** *MOP'000* **(Unaudited)** | At 31 December 2025 *MOP'000* (Audited) |
|---|---|---|
| Retention payables of construction contract | | |
| Repayable within one year | **3,748** | 81 |
| Repayable more than one year | **31,559** | 32,382 |
| | **35,307** | 32,463 |

The carrying amounts of trade and other payables approximate their fair values and are denominated in the following currencies:

| | **At 30 June 2026** *MOP'000* **(Unaudited)** | At 31 December 2025 *MOP'000* (Audited) |
|---|---|---|
| MOP | **123,252** | 149,460 |
| HK$ | **20,349** | 21,700 |
| | **143,601** | 171,160 |

## 13. BANK BORROWINGS

| | **At 30 June 2026** *MOP'000* **(Unaudited)** | At 31 December 2025 *MOP'000* (Audited) |
|---|---|---|
| Secured: | | |
| – Bank borrowings | **62,874** | 83,061 |
| Unsecured: | | |
| – Bank borrowings | **16,700** | 20,600 |
| | **79,574** | 103,661 |

The bank borrowings are at floating rates which carry interests at MOP best lending rate, Macau Interbank Offered Rate ("**MIBOR**") and Hong Kong Interbank Offered Rate ("**HIBOR**") plus/minus a spread. The effective interest rate on the Group's bank borrowings was 4.05% per annum for the six months ended 30 June 2026 (31 December 2025: 3.99% per annum).

As at 30 June 2026 and 31 December 2025, the Group failed to maintain the net asset value level required under the financial covenant in a banking facility agreement, resulting in a breach of covenant in respect of the bank borrowing amounted to approximately MOP5,150,000 (31 December 2025: MOP6,180,000). It triggered cross-defaults and resulted in a breach of certain bank borrowings amount to approximately MOP27,726,000 (31 December 2025: MOP34,841,000) as at 30 June 2026. These breached bank borrowings amounting to approximately MOP32,876,000 (31 December 2025: MOP41,021,000) were guaranteed by the Company and secured by pledged bank deposits amounting to approximately MOP4,859,000 (31 December 2025: MOP4,972,000).

As at the date of this announcement, the banks have not made any demand for immediate repayment of the abovementioned bank borrowings. The bank has reviewed the banking facility related to the breached financial covenants in bank borrowings in April 2026 and no negative comments were received from the bank. The management of the Group has commenced negotiations with the bank for a waiver of the breached financial covenants in bank borrowings, and not yet obtained such waiver as at the date of this announcement.

As at 30 June 2026, the remaining bank borrowings of approximately MOP46,698,000 (31 December 2025: MOP62,640,000) contain a repayment on demand clause and were classified as current liabilities (31 December 2025: Same). Out of such amounts, the bank borrowings of approximately MOP2,769,000 (31 December 2025: MOP772,000) and MOP697,000 (31 December 2025: MOP598,000) that have original contractual repayment due one to two years and two to five years, respectively were classified as current liabilities.

The carrying amounts of bank borrowings approximate their fair values and are denominated in the following currencies.

| | **At 30 June 2026** *MOP'000* **(Unaudited)** | At 31 December 2025 *MOP'000* (Audited) |
|---|---|---|
| MOP | **74,424** | 97,481 |
| HK$ | **5,150** | 6,180 |
| | **79,574** | 103,661 |

The Group's bank borrowings and other banking facilities (including performance guarantees) had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

| | **At 30 June 2026** *MOP'000* **(Unaudited)** | At 31 December 2025 *MOP'000* (Audited) |
|---|---|---|
| Pledged bank deposits | **23,955** | 24,301 |

As at 30 June 2026, banking facilities amounting to approximately MOP31,055,000 (31 December 2025: MOP31,055,000) are secured by personal guarantees provided by the Company's directors, Mr. Kong Kin I and Ms. Choi Fong Lan.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is an integrated construction contractor which provides building and ancillary services. The services are required in various building and construction projects in relation to hotel and casino resorts, property developers, infrastructures of water supply, and public amenities and utilities (such as carriageways, footpaths, drains and sewers).

The Group's revenue was derived from Macau and Hong Kong and the Group was engaged in projects in both private and public sectors. Public sector projects refer to projects of which the project employer is the Macau Government, while private sector projects refer to projects that are not within the public sector. The Group's customers mainly included (i) hotel and casino owners or their main contractors; (ii) water utility company in Macau; (iii) the Macau Government or its main contractors; and (iv) other private developers or their contractors.

During the six months ended 30 June 2026, 10 building and ancillary services projects with an aggregate contract sum of MOP112.5 million were awarded. The Group had completed 5 building and ancillary services projects during this period. As at 30 June 2026, the Group's backlog consisted of 20 building and ancillary services projects, which exclude those completed but not certified and those awarded by the Group's joint ventures, with an aggregate outstanding contract sum of MOP465.7 million.

### FINANCIAL REVIEW

#### Revenue

During the six months ended 30 June 2026, the Group's total revenue decreased by approximately MOP178.0 million or 51.0% from approximately MOP348.7 million for the six months ended 30 June 2025 to approximately MOP170.7 million for the six months ended 30 June 2026. The decline was attributable to the decrease in the volume of construction works performed by the Group during the period.

#### Gross (Loss)/Profit and Gross Profit Margin

The Group recorded gross loss of approximately MOP10.0 million for the six months ended 30 June 2026 and compared to the gross profit of approximately MOP15.3 million for the corresponding period in 2025. The Group's gross profit margin were approximately -5.9% for the six months ended 30 June 2026 and approximately 4.4% for the corresponding period in 2025.

The gross loss turning from the gross profit was mainly attributable to (1) significant decrease in revenue and the under-utilisation of the Group's property, plant and equipment. Consequently, a significant amount of unabsorbed fixed overheads (mainly comprising depreciation charges) was directly charged to the direct costs; and (2) unexpected project contra charges incurred in certain construction projects, which led to an increase in the direct project costs.

**Other Income and Other Gains**

The Group's other income and other gains recorded a gain of approximately MOP1.5 million for the six months ended 30 June 2026 compared to approximately MOP1.1 million for the six months ended 30 June 2025. Such increase was mainly attributable to the increase in gain of sales of scrap materials, service income from joint ventures and government grant, netted off against the reduction in the income from provision of manpower services.

**(Provision for)/Reversal of Impairment Losses of Financial Assets under Expected Credit Loss Model**

The Group applied simplified approach to measure expected credit loss ("**ECL**") which used a lifetime ECL for all trade receivables and contract assets. Trade receivables and contract assets have been grouped based on shared credit risk characteristics. For the six months ended 30 June 2026, the Group recorded the impairment losses under ECL model of approximately MOP15,000 (six months ended 30 June 2025: reversal of impairment loss of approximately MOP121,000), with details as set out below:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***MOP*** | *MOP* |
| | **(Unaudited)** | (Unaudited) |
| (Provision for)/reversal of impairment losses of: | | |
| – trade receivables | **244,000** | 80,000 |
| – contract assets | **(259,000)** | 41,000 |
| | **(15,000)** | 121,000 |

**Administrative Expenses**

The Group's administrative expenses increased by approximately MOP1.4 million or 10.4% from approximately MOP13.5 million for the six months ended 30 June 2025 to approximately MOP14.9 million for the six months ended 30 June 2026. Such increase was mainly attributable to increase in administrative staff costs, management fees, and depreciation of right-of-use assets.

**Finance Costs**

The Group's finance costs decreased by approximately MOP25,000 or 1.2% from approximately MOP2,136,000 for the six months ended 30 June 2025 to approximately MOP2,111,000 for the six months ended 30 June 2026. Such decrease was mainly attributable to the decrease in bank borrowings.

### Income Tax Expense

The Group has no income tax expense for the six months ended 30 June 2026 compared to income tax expense of approximately MOP455,000 for the six months ended 30 June 2025.

### (Loss)/Profit and Total Comprehensive (Loss)/Income for the Period

The Group's total comprehensive loss was approximately MOP25.6 million for the six months ended 30 June 2026 compared to total comprehensive income of approximately MOP0.4 million for the six months ended 30 June 2025. It was mainly attributable to the combined effect of the aforementioned items.

### Basic (Loss)/Earnings per Share

The Company's basic loss per share for the six months ended 30 June 2026 was approximately MOP2.32 cents (six months ended 30 June 2025: basic earnings per share approximately MOP0.04 cents).

### Interim Dividend

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

### Property, Plant and Equipment

The Group's property, plant and equipment was approximately MOP105.5 million as at 30 June 2026 compared to approximately MOP120.0 million as at 31 December 2025. To maintain operational efficiency, the Group acquired property, plant and equipment of approximately MOP2.4 million during the six months ended 30 June 2026 (six months ended 30 June 2025: approximately MOP12.4 million). The capital expenditures were financed by the proceeds from internal resources and general bank borrowings of the Group.

## CORPORATE FINANCE AND RISK MANAGEMENT

### Liquidity and Financial Resources and Capital Structure

The Group adopts a prudent approach in cash management to minimise its financial and operational risks. The Group's operations mainly rely on internally generated cash flows and bank borrowings.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of unexpected fluctuations in cash flows.

As at 30 June 2026, the Group had cash and cash equivalents of approximately MOP11.9 million (31 December 2025: approximately MOP19.1 million).

As at 30 June 2026, the Group had an aggregate of pledged and fixed bank deposits of approximately MOP25.0 million (31 December 2025: approximately MOP27.6 million) that are used to secure banking facilities.

As at 30 June 2026, bank borrowings amounted to approximately MOP79.6 million (31 December 2025: approximately MOP103.7 million). The bank borrowings amounts containing on demand clause of approximately MOP43.2 million, MOP2.8 million, and MOP0.7 million (31 December 2025: approximately MOP61.2 million, MOP0.8 million, and MOP0.6 million) will mature within one year, one year to two years and two years to five years respectively. The breach of loan covenants in bank borrowing amounts were approximately MOP32.9 million (31 December 2025: approximately MOP41.1 million). As at the date of this announcement, the relevant banks have not made any demand for immediate repayment of the abovementioned bank borrowings. For further details, please refer to "Note 13 – Bank Borrowings" in this announcement.

Current ratio decreased to 1.0 times as at 30 June 2026 (31 December 2025: 1.1 times), primarily due to a decrease in current assets, resulting from reductions in trade receivables and contract assets.

Gearing ratio is calculated based on debts divided by the total equity as at the respective reporting dates. Gearing ratio decreased from approximately 73.5% as at 31 December 2025 to approximately 68.9% as at 30 June 2026. It was mainly due to the decrease in bank borrowings during the six months ended 30 June 2026.

There has been no change in the capital structure of the Group during the period ended 30 June 2026. The capital of the Group only comprises ordinary shares. As at 30 June 2026, the share capital and equity attributable to the owners of the Company amounted to approximately MOP11.3 million and approximately MOP115.4 million, respectively (31 December 2025: approximately MOP11.3 million and approximately MOP141.0 million, respectively).

**Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries and Associates and Joint Ventures, and Plans for Material Investment or Capital Assets**

Save as disclosed in this announcement, during the six months ended 30 June 2026, the Group did not have any significant investments held, material acquisitions or disposals of subsidiaries, associates and joint ventures. There was no other plan for material investments or capital assets as at 30 June 2026.

**Capital Commitments**

As at 30 June 2026, the Group had no capital commitments for the purchases of property, plant and equipment (31 December 2025: Nil).

## Contingent Liabilities

As at 30 June 2026, performance guarantees of approximately MOP48.7 million (31 December 2025: approximately MOP70.5 million) were given by banks in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. The Group has contingent liabilities to indemnify the banks for any claims from customers under the guarantees due to the failure of the Group's performance. The performance guarantees will be released upon completion of the contract works. At the end of the reporting period, the management of the Group does not consider it is probable that a claim will be made against the Group.

## Foreign Exchange Exposure

The Group entities collect most of the revenue and incur most of the expenditures in their respective functional currencies, namely Hong Kong dollar ("**HK$**") and Macau pataca ("**MOP**"). The Group is exposed to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities denominated in a currency other than the Group entities' functional currency.

Management closely monitors foreign currency exchange exposure and will take measures to minimise the currency translation risk. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposure. The Group has not used any hedging arrangement to hedge its foreign exchange risk exposure as management considers its exposure is not significant.

As the exchange rate of HK$/MOP is relatively stable, the Group does not expect any significant foreign currency exposure arising from the fluctuation of the HK$/MOP exchange rates. As a result, management of the Group considers that the sensitivity of the Group's exposure towards the change in foreign exchange rates between HK$/MOP is minimal.

## Interest Rate Risk

The Group's interest rate risk arises primarily from the Group's bank deposits and bank borrowings. Bank borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of prevailing market interest rates arising from the Group's pledged bank deposits, bank balances and MOP best lending rate, MIBOR and HIBOR arising from the Group's variable-rate bank borrowings. The Group does not use financial derivatives to hedge against the interest rate risk.

### Credit Risk

The Group's credit risk is primarily attributable to trade receivables, contract assets, deposits, other receivables, amounts due from joint operations, pledged and fixed bank deposits and cash and cash equivalents as at 30 June 2026 and 31 December 2025.

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge the obligations by counter-parties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position at the end of the reporting period.

As at 30 June 2026, the Group has concentration of credit risks as approximately 15.4% (31 December 2025: approximately 25.5%) and approximately 60.1% (31 December 2025: approximately 73.6%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively within the building and ancillary services segment. In order to minimise the risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

For deposits, other receivables and amounts due from joint operations, the Directors make periodic individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

The credit risk for pledged and fixed bank deposits and cash and cash equivalents is limited because the counterparties are reputable banks with high credit ratings assigned by international credit rating agencies.

## EMPLOYEES

The Group had 184 full-time employees as at 30 June 2026 (31 December 2025: 203) in Macau and Hong Kong.

The Group offers remuneration packages that includes salary, discretionary bonuses and other cash subsidies. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of the decisions with respect to salary raises, bonuses and promotions.

The Group's gross staff costs from operations (including the Director's emoluments) were approximately MOP46.6 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately MOP62.7 million).

The Company adopted a share option scheme so that the Company may grant options to the eligible persons as incentives or rewards for their contributions to the Group.

## SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme (the "**Share Option Scheme**") pursuant to the written resolutions passed on 24 November 2017. The Share Option Scheme enables the Company to grant share options to the eligible persons as incentives or rewards for their contributions to the Group. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 24 November 2017 and up to 30 June 2026. As at the date of this announcement, the total number of shares available for issue under the Share Option Scheme was 100,000,000 shares, being approximately 9.01% of the shares in issue as at the date of this announcement.

## PROSPECTS AND STRATEGIES

The Group maintains a prudent and highly vigilant view of the construction sector in the region, recognizing that the operating environment remains severely challenging. The steady rebound in Macau's tourism and selected government-backed initiatives present limited project openings. The broader construction momentum remains constrained by intensive market competition, elevated material expenses, and tightened project approvals. Similarly, in Hong Kong, despite the ongoing public-sector infrastructure programme, short-term market conditions continue to exert substantial pressure on gross margins and operational cash flows.

In light of the net loss and the material uncertainties regarding the Group's liquidity position, the paramount priority for the Group is to stabilize its financial position and ensure operational continuity. The management is taking immediate and proactive measures to address the liquidity constraints. These encompass securing continuous financial support from Mr. Kong Kin I, the ultimate controlling party, and systematically drawing down the newly obtained MOP35.0 million banking facility (of which MOP10.0 million had been drawn down as at the date of this announcement) to fulfil project financing requirements. The Group is also in ongoing dialogue with its principal banks to obtain waivers for the breached covenants and to maintain our existing banking facilities.

Operationally, prudent management and rigorous working capital management are critical. The Group will continue to expedite the collection of trade receivables and contract assets, whilst implementing stringent cost oversight and more prudent sourcing arrangements to mitigate exposure to fluctuations in material and labour expenses. Bidding strategy will remain highly selective, focusing exclusively on projects with reliable payment terms and manageable cash flow demands, building on the Group's established strengths in foundation and piling operations.

Navigating this cyclical downturn and the current financial headwinds demands a disciplined and systematic approach. By prudent liquidity management, rigorous cost control, and strategic project selection, the Group aims to fulfil its ongoing financial and contractual obligations, safeguard shareholder value, sustain its core operational strength, and weather the current challenges to protect long-term shareholder value.

## INTERIM DIVIDEND

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

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

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares (as defined in the Listing Rules)). As at 30 June 2026, the Company did not hold any such treasury shares.

## EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, the Board is not aware of any significant events requiring disclosure that has taken place subsequent to 30 June 2026 and up to the date of this announcement.

## CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2026 and up to the date of this announcement, the Company has complied the code provisions set out in the section headed "Part 1 – Mandatory disclosure requirements", and the principles and the applicable code provisions set out in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules except the deviation from provision C.2.1 of the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, the Company does not have a separate chairman and chief executive officer and Mr. Kong Kin I currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. Besides, with three independent non-executive Directors out of a total of five Directors in the Board, there will be sufficient independent voice within the Board to protect the interests of the Company and its shareholders as a whole. Therefore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions of the Company by the Directors. Upon specific enquiries of all Directors, all of them confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2026 and up to the date of this announcement.

## AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") was established on 24 November 2017 in compliance with the CG Code. As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely, Mr. Cheung Kin Wing, Mr. Cheung Wai Lun Jacky and Mr. Zhao Zhipeng. Mr. Cheung Kin Wing is the chairman of the Audit Committee.

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and has reviewed the unaudited condensed consolidated financial statements of the Group and this interim results announcement of the Company for the six months ended 30 June 2026.

## PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.kinpang.com.mo. The interim report will be despatched to shareholders of the Company and will also be published on the websites of both the Stock Exchange and the Company in due course.

## 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.

By Order of the Board
**Kin Pang Holdings Limited**
**Kong Kin I**
*Chairman and Chief Executive Officer*

Hong Kong, 28 August 2026

*As at the date of this announcement, the Board comprises (i) Mr. Kong Kin I (Chairman and Chief Executive Officer) and Ms. Choi Fong Lan as executive Directors; and (ii) Mr. Cheung Wai Lun Jacky, Mr. Cheung Kin Wing and Mr. Zhao Zhipeng as independent non-executive Directors.*