Junwea Group (China) Company Limited
巨美集團(中國)股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1920)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board ("**Board**") of directors (the "**Directors**") of Junwea Group (China) Company Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2026 as follows:

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	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*3A*	**79,946**	65,056
Cost of services		**(79,065)**	(56,790)
Gross profit		**881**	8,266
Other income	*4*	**307**	19
Fair value gain on financial assets at fair value through profit or loss		**35**	87
(Allowance for)/reversal of Impairment losses under expected credit loss model, net of reversal	*10*	**(457)**	3
Administrative expenses		**(27,483)**	(8,069)
Finance costs	*5*	**(197)**	(182)
(Loss)/Profit before tax	*6*	**(26,914)**	124
Income tax expense	*7*	**(162)**	–
(Loss)/Profit for the period		**(27,076)**	124

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Other comprehensive expense		
Item that may be reclassified subsequently to profit or loss:		
–Exchange differences arising on translation of foreign operations	**(191)**	–
Other comprehensive expense for the period, net of tax	**(191)**	–
Total comprehensive (expense)/income for the period	**(27,267)**	124
(Loss)/Profit for the period attributable to:		
Owners of the Company	**(20,036)**	124
Non-controlling interests	**(7,040)**	–
	(27,076)	124
Total comprehensive (expense)/income for the period attributable to:		
Owners of the Company	**(20,117)**	124
Non-controlling interests	**(7,150)**	–
	(27,267)	124
(Loss)/Profit per share attributable to owners of the Company		
–Basic and diluted (HK cents)	**(4.60)**	0.04

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	**30 June 2026 HK$'000 (unaudited)**	31 December 2025 HK$'000 (audited)
Non-current Assets			
Property, plant and equipment	*11*	**7,113**	10,116
Financial assets at fair value through profit or loss	*12*	**2,947**	2,911
		10,060	13,027
Current Assets			
Trade receivables	*13*	**7,753**	230
Other receivables, deposits and prepayments	*14*	**5,838**	7,883
Contract assets	*15*	**50,316**	9,444
Inventories		**2,491**	1,097
Cash and cash equivalents		**57,343**	31,117
		123,741	49,771
Total Assets		**133,801**	62,798
Current Liabilities			
Trade and other payables	*16*	**8,219**	9,306
Contract liabilities		**39,500**	29,198
Amount due to a related company		**3,182**	2,000
Lease liabilities		**3,712**	2,965
		54,613	43,469
Net Current Assets		**69,128**	6,302
Non-current Liabilities			
Lease liabilities		**3,246**	5,127
Net Assets		**75,942**	14,202
Capital and (deficits) reserves			
Share capital	*17*	**58,760**	37,440
Reserves and accumulated losses		**28,778**	(18,792)
Equity attributable to equity holders of the Company		**87,538**	18,648
Non-controlling interests		**(11,596)**	(4,446)
Total equity		**75,942**	14,202

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Junwea Group (China) Company Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 30 January 2019. The shares of the Company have been listed on the Main Board of the Stock Exchange on 16 August 2019. Its immediate and ultimate holding company is China Alliance Venture Technology Limited ("**China Alliance**"), a private limited company incorporated in Hong Kong. The controlling shareholders of the Company are Mr. Zhou Zhenlin and China Alliance.

The address of the registered office of the Company is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1−1108, Cayman Islands and the address of the principal place of business is Unit 2B, 35/F, East Tower, Cheung Kong Center II, No.10 Harcourt Road, Central, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the (i) provision of beauty and health services ("**Beauty and Health Services**"); (ii) provision of construction services including wet trades works (including plastering on floors, walls and ceilings, tile laying on internal and external walls and floors, brick laying and marble works) and other wet trades related ancillary works ("**Construction Services**"); and (iii) provision of construction information technology services ("**Construction IT Services**").

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company.

The condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting 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.

These condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025.

The preparation of the condensed consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

These condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

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

The application of the 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 condensed consolidated financial statements.

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

(i) Disaggregation of Revenue

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Type of service		
Construction Services	**54,344**	65,056
Construction IT Services	**–**	–
Beauty and Health Services	**25,602**	–
	79,946	65,056
Type of customer		
Private sector projects		
− Construction Services	**34,083**	7,321
− Beauty and Health Services	**25,602**	–
Public sector projects		
− Construction Services	**20,261**	57,735
	79,946	65,056

(ii) Performance Obligations for Contracts With Customers and revenue recognition policies

The Group derives its revenue from provision of wet trades works and other wet trades related ancillary works are recognised over time. All the Group's services are rendered directly with the customers. Contracts with the Group's customers are agreed in fixed-price with terms from 1 month to 17 months.

Revenue from provision of wet trades works

The Group provides wet trades works (including plastering on floors, walls and ceilings, tile laying on internal and external walls and floors, brick laying and marble works) and other wet trades related ancillary works under contracts with customers. Such contracts are entered into before the services begin. Under the terms of the contracts, the Group is contractually required to perform the services at the customers' specified sites that the Group's performance creates or enhances an asset that the customer controls as the Group performs. Revenue from provision of such services is therefore recognised over time using input method, i.e. based on the actual costs incurred by the Group to date compared with the total budgeted cost for the project to estimate the revenue recognised during the period. The directors of the Company consider that input method would faithfully depict the Group's performance towards complete satisfaction of these performance obligations under HKFRS 15.

Revenue from provision of construction information technology services

Revenue from provision of construction information technology services is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The Group bills a fixed amount for each month of service provided. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has the right to invoice.

Revenue from provision of beauty and health services

Revenue from the sales of beauty and health products directly to the customers is recognised at the point in time that the control of the finished products has passed to the customers, which is primarily upon the delivery of the products to the customers.

3B. SEGMENT INFORMATION

Information is reported to the executive directors of the Company, who are also the chief operating decision maker ("**CODM**") of the Group, for the purposes of resource allocation and assessment of segment performance focuses on types of services provided.

Specifically, the Group's reportable segments under HKFRS 8 Operating Segments are (i) Construction Services; (ii) Construction IT Services; and (iii) Beauty and Health Services.

(i) Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the six months ended 30 June 2026

	Beauty and Health Services *HK$'000*	Construction Services *HK$'000*	Construction IT Services *HK$'000*	Consolidated *HK$'000*
Segment revenue				
– External	25,602	54,344	–	79,946
Segment results	(10,276)	(7,583)	–	(17,859)
Interest income				12
Unallocated other income				215
Unallocated corporate expenses				(9,085)
Finance costs				(197)
Loss before tax				(26,914)

For the six months ended 30 June 2025

	Beauty and health services *HK$'000*	Construction Services *HK$'000*	Construction IT Services *HK$'000*	Consolidated *HK$'000*
Segment revenue				
– External	–	65,056	–	65,056
Segment results	–	1,974	–	1,974
Interest income				19
Unallocated other income				87
Unallocated corporate expenses				(1,774)
Finance costs				(182)
Profit before tax				124

There are no inter-segment sales for the Review Period. All of the segment revenue reported above is from external customers.

The accounting policies of the operating segments are the same as the Group's accounting policies described in Group's annual consolidated financial statements as at 31 December 2025. Segment results represents the profit/(loss) from each segment without allocation of interest income, unallocated other income, unallocated corporate expenses, fair value gain on financial assets at FVTPL and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(ii) Segment assets and liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

(iii) Other segment information

For the six months ended 30 June 2026

	Beauty and Health Services *HK$'000*	**Construction Services** *HK$'000*	**Construction IT Services** *HK$'000*	**Unallocated** *HK$'000*	**Consolidated** *HK$'000*
Depreciation of property, plant and equipment	**–**	**1,059**	**–**	**–**	**1,059**
Depreciation of right-of-use assets	**–**	**–**	**–**	**1,943**	**1,943**
Reversal of impairment losses on trade receivables recognised in profit or loss	**–**	**(114)**	**–**	**–**	**(114)**
Impairment losses on contract assets recognised in profit or loss	**–**	**571**	**–**	**–**	**571**

For the six months ended 30 June 2025

	Beauty and Health Services *HK$'000*	Construction Services *HK$'000*	Construction IT Services *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Depreciation of property, plant and equipment	–	969	–	524	1,493
Reversal of impairment losses on trade receivables recognised in profit or loss	–	(1,250)	–	–	(1,250)
Impairment losses on contract assets recognised in profit or loss	–	1,247	–	–	1,247

(iv) Geographical information

The Group principally operates in Hong Kong and the PRC, which is also its place of domicile. The Group's non-current assets are mainly located in Hong Kong.

4. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest income	**12**	19
Rental income	**180**	–
Sundry income	**115**	–
	307	19

5. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on:		
– Bank borrowings	**–**	99
– Lease liabilities	**197**	83
	197	182

6. (LOSS)/PROFIT BEFORE TAX

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
(Loss)/profit before tax has been arrived at after charging:		
Depreciation of property, plant and equipment	**1,059**	1,493
Depreciation of right-of-use assets	**1,943**	–
Rental expense on short-term leases in respect of warehouse, office premises and machines	**6,820**	493
Staff costs (including the directors' and chief executive's remuneration):		
– Salaries and other benefits	**23,934**	2,397
– Contributions to Mandatory Provident Fund ("**MPF**")	**52**	79
Total staff costs	**23,986**	2,476
Cost of inventories expensed	**5,856**	–

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Income tax expense comprises:		
The PRC Enterprise Income Tax		
− Current tax	**162**	–

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits derived from or arising in Hong Kong during the six months ended 30 June 2026 and 2025.

Pursuant to relevant PRC tax laws and regulations, the annual taxable income of a small low-profit enterprise that is not more than RMB3 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20% for the six months ended 30 June 2026.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

8. DIVIDEND

No dividends were paid, declared or proposed for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil). The directors of the Company have determined that no dividend will be paid in respect of the Review Period.

9. (LOSS)/PROFIT PER SHARE

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
(Loss)/profit		
(Loss)/profit for the period for the purpose of calculation of basic (loss)/profit per share ((loss)/profit for the period)	**(27,076)**	124

	Number of shares	
	2026	2025
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculation of basic loss per share	**435,415**	314,413

For the periods ended 30 June 2026 and 2025, the calculation of the basic loss per shares is based on the loss attributable to owners of the Company and the weighted average number of ordinary shares issued during the periods.

No diluted loss per share is presented as there were no potential dilutive shares in issue for the six months ended 30 June 2026 and 2025.

10. ALLOWANCE FOR/(REVERSAL OF) IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS ("ECL") MODEL, NET

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Allowance for/(reversal of) impairment losses recognised on:		
− Contract assets	**571**	1,247
− Trade receivables	**(114)**	(1,250)
	457	(3)

11. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

The Group did not have any addition of property, plant and equipment during the six months ended 30 June 2026.

During the six months ended 30 June 2025, right-of-use assets of approximately HK$9,432,000 were recognised. The right-of-use asset represents the lease of an office in Hong Kong for a three-year period.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Key management personnel life insurance policy	**2,947**	2,911

The Group entered into a life insurance policy with an insurance company to insure against the death and permanent disability of an executive director. Under the policy, the beneficiary and policy holder are Ma Yau Engineering Limited, a subsidiary of the Company, and the total insured sum is the higher of (i) approximately US$404,000 (equivalent to HK$3,153,000); or (ii) guaranteed cash value and special bonus (if any); and the accumulated annual dividends and interest (if any). The contracts will be terminated on the occurrence of the earliest of the death of the key management personnel insured or other terms pursuant to the contracts. The Group has paid out a total insurance premium of approximately US$385,000 (equivalent to approximately HK$3,003,000) at the inception of the policy. The Group may request a surrender of the contracts at any time and receive cash back based on the cash value at the date of withdrawal, which is determined by the gross premium paid at inception plus accumulated annual dividends and interest (if any) and minus insurance charges. The fair value is based on redemption value quoted by the insurance company.

13. TRADE RECEIVABLES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade receivables	**7,753**	344
Less: allowance for credit losses	**–**	(114)
	7,753	230

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice/payment certificate date at the end of the reporting period:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Within 30 days	**7,753**	230
31-60 days	**–**	–
61-90 days	**–**	–
	7,753	230

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Other receivables and deposits	**3,805**	1,028
Prepayments	**2,033**	6,855
	5,838	7,883

15. CONTRACT ASSETS

The following is the analysis of the contract assets:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Contract assets	**71,546**	30,103
Less: impairment loss allowance	**(21,230)**	(20,659)
	50,316	9,444

Contract Assets represent the Group's rights to considerations from customers for the provision of Construction Services, which arise when: (i) the Group completed the relevant services under such contracts; or (ii) the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts for a period of generally 12 months (defect liability period) after completion of the relevant works. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional.

The Group's contract assets are analysed as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Construction Services contracts – current		
Unbilled revenue*	**44,972**	4,473
Retention receivables	**5,344**	4,971
	50,316	9,444

* It represented the revenue not yet been billed to the customers which the Group has completed the relevant services under such contracts but not yet certified by representatives appointed by the customers.

The Group's retention receivables included in the Group's contract assets will be settled at the expiry of the defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts. The balances are classified as current as they are expected to be received in their normal operating cycle.

16. TRADE AND OTHER PAYABLES

	30 June 2026 *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
Trade payables	**5,759**	3,519
Payroll and MPF payables	**1,565**	4,221
Accrued expenses	**556**	1,282
Other payables	**339**	284
	2,460	5,787
Total	**8,219**	9,306

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	30 June 2026 *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
Within 30 days	**5,145**	2,267
31-60 days	**274**	311
61-90 days	**340**	237
Over 90 days	**–**	704
	5,759	3,519

17. SHARE CAPITAL

Details of movement of the share capital of the Company are as follows:

	Number of ordinary shares	Share capital
		HK$'000
Ordinary shares of HK$0.1 each		
Authorised:		
At 31 December 2025	400,000,000	40,000
Increase in authorised share capital *(Note 3)*	800,000,000	80,000
At 30 June 2026	1,200,000,000	120,000
Issued and fully paid:		
At 31 December 2025	374,400,000	37,440
Subscription of shares by controlling shareholder *(Note 1)*	112,320,000	11,232
Issue of shares upon exercise of share options *(Note 4)*	26,000,000	2,600
Shares issued under placing *(Note 2)*	74,880,000	7,488
At 30 June 2026	587,600,000	58,760

All shares allotted and issued during the period rank pari passu in all respect with the existing issued shares.

Notes:

1. On 10 November 2025, the Company entered into the subscription agreement (the "**Subscription Agreement**") with the China Alliance Venture Technology Limited (the "**Subscriber**"), a company incorporated in Hong Kong which wholly and directly owned by Mr. Zhou Zhenlin, an executive Director and the controlling shareholder of the Company. The Subscription constitutes a connected transaction of the Company under the Listing Rules. The Subscriber conditionally agreed to subscribe for 112,320,000 Subscription Shares (the "**Subscription**") at the Subscription Price of HK$0.3965 for each Subscription Share. The Subscription has been completed on 13 April 2026. The gross proceeds from the Subscription amounted to HK$44,534,880, among which, HK$11,232,000 were credited to the share capital of the Company and HK$33,302,880 (before issuing expenses) were credited to share premium of the Company. For details for the Subscription and the use of proceeds, please refer to the circular of the Company dated 30 January 2026 and 13 April 2026.

2. On 26 June 2026, the Company allotted and issued 74,880,000 ordinary shares by way of placing, at a placing price of HK$0.441 per ordinary share for cash. The gross proceeds from the placing amounted to HK$33,022,080, among which, HK$7,488,000 were credited to the share capital of the Company and HK$25,534,080 (before issuing expenses) were credited to share premium of the Company.

3. Increase in authorised share capital (approved by shareholders at the annual general meeting held on 29 June 2026).

4. During the six months ended 30 June 2026, all 26,000,000 share options granted on 2 September 2025 under the 2019 Share Option Scheme were exercised at HK$0.453 per Share, and 26,000,000 new Shares were allotted and issued on 21 April 2026 and 27 April 2026. For details, please refer to the Company's announcements dated 2 September 2025, 10 September 2025 and the circular dated 30 January 2026.

18. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Outstanding balances with related parties

	Notes	**30 June 2026** ***HK$'000*** **(unaudited)**	31 December 2025 *HK$'000* (audited)
China Venture Capital Foundation	*(i) & (ii)*	**3,182**	2,000

Notes:

(i) The amount was non-trade, unsecured, interest-free and repayable on demand.

(ii) A company directly owned by Mr. Zhou Zhenlin.

(b) Key Management Personnel

The remuneration of the directors of the Company, close family members of a director of the Company and other key management personnel of the Group during the six months ended 30 June 2026 and the six months ended 30 June 2025 was as follows:

	Six months ended 30 June	
	2026 ***HK$'000*** **(unaudited)**	2025 *HK$'000* (unaudited)
Short term benefits	**762**	906
Post-employment benefits	**9**	9
	771	915

(c) Related party transactions

Apart from disclosed elsewhere in the consolidated financial statements, the Group entered into the following significant transactions with related parties during the six months ended 30 June 2026 and 2025:

		Six months ended 30 June	
	Notes	**2026** ***HK$'000*** **(unaudited)**	2025 *HK$'000* (unaudited)
Wicens International Securities Limited	*(i)*		
Income relates to rental of office	*(ii)*	**180**	–

Notes:

(i) Wicens International Securities Limited is indirectly held 33% by Global Chinese Business Club, to which Mr. Zhou Zhenlin is the Director.

(ii) The rental income were charged based on the agreements entered between the parties involved.

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The Group's financial assets at FVTPL are measured at fair value at the end of each reporting period. The Company uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial assets measured at fair value are grouped into the fair value hierarchy as follows:

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 30 June 2026 (unaudited)				
Financial assets at FVTPL				
– Key management personnel life insurance policies	**–**	**2,947**	**–**	**2,947**
As at 31 December 2025 (audited)				
Financial assets at FVTPL				
– Key management personnel life insurance policies	–	2,911	–	2,911

During the six months ended 30 June 2026 and 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

The fair value of the key management personnel life insurance policies are determined by reference to the Cash Value as provided by the insurance company.

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the "**Board**") of directors (the "**Directors**") of Junwea Group (China) Company Limited (the "**Company**") is pleased to present the condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Review Period**").

BUSINESS REVIEW AND OUTLOOK

Provision of wet trades and its related ancillary works

The Group provides wet trades works through its principal operating subsidiary, namely, Ma Yau Engineering Limited ("**Ma Yau**"). The principal operating subsidiary has been registered in the Registered Specialist Trade Contractors Scheme (formerly known as the Subcontractor Registration Scheme) of the Construction Industry Council. Ma Yau first completed such registration under the predecessor scheme in April 2004 and our registration has since then covered finishing wet trades, marble, granite and stone work with a wide range of specialties including brick work, plastering and tiling, spray plaster and screeding, marble and granite works.

As at 30 June 2026 and up to the date of this announcement, the original contract sum of the Group's ongoing projects (including projects that have commenced but not substantially completed as well as projects that have been awarded but not yet commenced) in aggregate amounted to approximately HK$219.2 million. As at the date of this announcement, the Group was in the course of bidding for or pending the tender results of three projects, with an estimated total contract sum of approximately HK$97.9 million.

Given the sluggish growth of Hong Kong's construction industry and the continued challenges facing the construction sector, particularly due to reduced land acquisitions and development projects by property developers, the Group has adopted a conservative approach to the operation and development of its existing construction business.

In order to maintain its market share in the wet trades works industry, the Group will continue to closely monitor the market and respond to changes in market conditions. The Directors are confident that with the Group's reputation in the wet trades works industry and its experienced management team, the Group is in a good position to compete with its competitors. The Group will continue to improve its competitiveness in the market by continuing to provide quality works to its customers. The Group will also continue to proactively seek opportunities to expand its customer base and its market share and undertake more wet trades and wet trades related trade divisions projects which will enhance value to the shareholders of the Company (the "**Shareholders**").

Provision of construction information technology services

Based on our Directors' practical experience, any potential customers, such as wet trades service providers in the construction industry, who are not familiar with payment request and without connections to specialist contractors may eventually seek from external resources for assistance in performing their duties such as information on calculation of total work done in their projects.

Capitalising on our expertise and experience in providing passive wet trade payment request information technology solutions, we established an online platform to provide subscribers with information such as specifications of various wet trade services items in our database so as to assist customers to carry out monthly review on the contractor's payment requests.

Provision of beauty and health services

The Group commenced a new beauty business in addition to its existing business in 2025. The Group has chosen to cooperate with local partners with relevant experience in the beauty industry in their respective regions to leverage their industry expertise and customer networks, thereby creating synergies and facilitating an overall upgrade of the business model. The Group and the respective local partners established local subsidiaries to operate the physical stores. These subsidiaries generally structured with the Group holding 51% of the equity interest and the local partner holding 49%. The new business is developed around comprehensive consumer services to meet consumers' needs for beauty and health services. The Group has established physical stores with different local partners in first-and second-tier cities across Mainland China, including Shenzhen, Beijing, Shanghai, Wuhan, Fuzhou, Chongqing, Shenyang, Xi'an, and other major cities. These physical stores provide high-quality beauty services, especially facial treatments, blemish removal, skin whitening, and anti-wrinkle services to meet the diverse needs of consumers.

The Group has been exploring other business opportunities beyond the Hong Kong and PRC market and/or expanding the geographical coverage of the principal business of the Group beyond the Hong Kong and China market in order to enhance our future development and to strengthen the revenue bases of the Group. We believe that such exploration would be worthy so that we will be well-prepared to dive into any opportunities as they arise or come to our attention. We expect that diversification of our business will provide a better return to the Shareholders.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately HK$14.9 million or approximately 22.9% from approximately HK$65.1 million for the six months ended 30 June 2025 to approximately HK$79.9 million for the Review Period. The increase in revenue was mainly due to the amount of the projects won through bidding is relatively large.

Gross Profit and Gross Profit Margin

The gross profit of the Group for the Review Period amounted to approximately HK$881,000, representing a decrease of approximately 89.3% as compared to approximately HK$8.3 million gross profit for the six months ended 30 June 2025. The Group's gross profit margin for the Review Period was approximately 1.1%, as compared to gross profit margin approximately 12.7% for the six months ended 30 June 2025. The decrease in gross profit was mainly due to (i) competitive project pricing arising from intense market competition; and (ii) delay in certification of works performed of certain projects.

Other Income

Other income of the Group for the Review Period amounted to approximately HK$307,000, representing an increase of approximately 1,515.8% or HK$288,000 as compared to approximately HK$19,000 for the six months ended 30 June 2025. The increase was mainly due to the increase in rental income from a related company.

Impairment Losses Under Expected Credit Loss Model (the "ECL") , net of reversal

The ECL for the Review Period amounted to a provision of approximately HK$457,000, representing an increase of approximately 15,333.3% as compared with reversal of impairment losses of HK$3,000 for the six months ended 30 June 2025. Impairment losses under ECL was mainly contributed by the impairment losses of approximately HK$571,000 under construction projects and reversal of the impairment losses of trade receivables approximately HK$114,000.

Administrative Expenses

The administrative expenses of the Group for the Review Period amounted to approximately HK$27.5 million, representing an increase of approximately 240.6% as compared to approximately HK$8.1 million for six months ended 30 June 2025. The increase was mainly attributable to increase in administrative cost (including staff costs) in Beauty and health segment.

Finance Costs

Finance costs of the Group for the Review Period were approximately HK$197,000, representing an increase of approximately 8.2% as compared to approximately HK$182,000 for the six months ended 30 June 2025. The increase was mainly attributable to full repayment of bank borrowings in 2025.

Net Profit/(Loss)

As a result of the foregoing, the Group reported a net loss attributed to owners of the Company of approximately HK$27.1 million for the Review Period as compared to the net profit of approximately HK$124,000 for the six months ended 30 June 2025.

Interim Dividend

The Board did not recommend a payment of an interim dividend for the Review Period (six months ended 30 June 2025: Nil).

Liquidity, Financial Resources and Capital Structure

The ordinary shares of the Company (the "**Shares**") were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 August 2019. On 26 June 2026, a placement of 74,880,000 new Shares was completed. The placing price was HK$0.441 per Share.

As at 30 June 2026, the Company's issued capital was HK$58,760,000 and the number of the Shares was 587,600,000 of HK$0.10 each (31 December 2025: 374,400,000 shares).

As at 30 June 2026, the Group had total bank balances and cash of approximately HK$57.3 million (31 December 2025: approximately HK$31.1 million). The Group did not have any borrowings as at 30 June 2026 and 31 December 2025.

Raising of Funds and Use of Proceeds

Placing of Shares of the Company

Reference is made to the Company's announcements dated 15 June 2026, 16 June 2026, 17 June 2026 and 26 June 2026 in relation to the placing of new shares under general mandate (the "**Placing**"). Taking into account the financial position of the Group at the time of Placing and potential business opportunities including potential award of new wet-trade projects, the Group would like to further expand and contribute more funds and resources to satisfy the working capital requirements for the business development of the Group. On 15 June 2026, the Company entered into a placing agreement with a placing agent pursuant to which the Company has conditionally agreed to place up to 74,880,000 placing shares at a price of HK$0.441 per placing share. The completion of the Placing took place on 26 June 2026. The closing price per Share as quoted on the Stock Exchange on 15 June 2026 was HK$0.50. The aggregate nominal value of the Placing Shares were HK$7,488,000.00. Net proceeds from the Placing was approximately HK$32.5 million (the "**Net Proceeds**") which was intended to be applied as to (i) approximately HK$22.75 million (representing 70%) for future business opportunities relating to the Group's existing business, specifically two potential award of new wet-trade construction projects; and (ii) approximately HK$9.75 million (representing 30%) for working capital purposes which comprise rental and management fees and salaries for management. As at 30 June 2026, no Net Proceeds were utilised. The Net Proceeds were placed with banks and would be used as its intended purposes during the second half of 2026.

Subscription of 112,320,000 Shares of the Company

On 10 November 2025, the Company entered into the subscription agreement (the "**Subscription Agreement**") with China Alliance Venture Technology Limited (the "**Subscriber**"), pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for 112,320,000 Subscription Shares at the Subscription Price of HK$0.3965 per Subscription Share for a total consideration of HK$44,534,880 (the "**Subscription**").

The gross proceeds from the Subscription were HK$44.5 million and the aggregate net proceeds, after the deduction of the related expenses, were approximately HK$43.9 million. In accordance with the circular of the Company dated 30 January 2026, the Company intended to use the net proceeds from the Subscription to finance the Group's businesses including its Construction Services Business and the research and development of Beauty & Healthcare Business satisfy the working capital requirements of the Group, including the working capital to maintain the Group's daily operations and funding for developing the businesses of the Group

The subscription price of the subscription shares under the Subscription Agreement shall be paid via bank cheque in Hong Kong dollar or wire transfer. The subscription shares, when allotted and issued, will rank pari passu in all respects among themselves and with the shares in issue on the date of allotment and issue of the subscription shares. There is no restriction which apply to the subsequent sale of the subscription shares.

The Subscriber is the controlling Shareholder and Mr. Zhou is the Chairman of the Company. Accordingly, the transactions contemplated under the Subscription Agreement are connected transaction of the Company under the Listing Rules. On 13 April 2026, the transaction under Subscription Agreement were completed and 112,320,000 shares were allotted to the Subscriber.

Use of proceeds from the Subscription

Usage	**Planned use of net proceeds as disclosed in the circular dated 30 January 2026**	**Net proceeds utilised during the period ended 30 June 2026**	**Net proceeds unutilised as at 30 June 2026**	**Expected timeline for full utilization of the remaining Net Proceeds**
	HK$ million	***HK$ million***	***HK$ million***	
Finance the Group's Construction Services Business	30.73	30.73	–	N/A
General working capital of the Group	8.78	8.78	–	N/A
Finance the research and development of Beauty & Healthcare Business	4.39	–	4.39	On or before December 2026

Foreign Exchange Risk

The Group's business transactions were mainly carried out in HK$ and RMB. RMB is not a freely convertible currency. Future exchange rates of RMB may vary significantly from the current or historical exchange rates as a result of controls imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes domestically and internationally as well as the demand and supply of RMB. The appreciation or devaluation of RMB against foreign currencies may have an impact on the operating results of the Group.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure. However, the management regularly monitors the relevant foreign currency exposure and will consider taking appropriate measures to control the risk arising from significant exchange fluctuations.

Gearing Ratio

As at 30 June 2026, the gearing ratio (calculated as total bank borrowings, lease liabilities and amount due to a related company divided by the total equity) was approximately 20.4% (31 December 2025: approximately 71.1%). The decrease in gearing ratio is mainly due to increase in capital raising activities resulting in increase in total equity at 30 June 2026.

Significant Investment Held, Material Acquisitions or Disposals of Subsidiaries, Associates and Joint Ventures

During the Review Period, the Group did not have any significant investments held or any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Future Plans for Material Investments or Capital Assets

As at the date of this announcement, the Group does not have any other plans for material investments or capital assets.

Employees and Remuneration Policy

As at 30 June 2026, the Group had approximately 296 employees on its payroll (31 December 2025: 260 employees). Total staff costs, including directors' emoluments, salaries, wages and other staff benefits, contributions to retirement schemes and untaken paid leave for the Review Period, amounted to approximately HK$24.0 million (six months ended 30 June 2025: approximately HK$2.5 million). The substantial year-on-year increase in staff costs (as against a headcount increase from 260 to 296) primarily reflects the full period impact of staffing the Beauty and Health Services segment in Mainland China, including operational staff at the Group's newly-established physical stores across nine PRC cities and additional senior management. In order to attract and retain high quality staff and to enable smooth operation within the Group, the remuneration policy and package of the Group's employees are periodically reviewed. The salary and benefit levels of the employees of the Group are competitive (with reference to market conditions and individual qualifications and experience). The Group provides adequate job training to the employees to equip them with practical knowledge and skills. Apart from mandatory provident fund and job training programs, salaries increment and discretionary bonuses may be awarded to employees according to the assessment of individual performance and market situation.

Capital Commitments and Contingent Liabilities

As at 30 June 2026, the Group had no material capital commitments or contingent liabilities (31 December 2025: Nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company adopted the code provisions as set out in the Corporate Governance Code (the "**Code**") contained in Appendix C1 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as a code of conduct regarding the securities transactions of the Company by the Directors. Having made specific enquiries of the Directors, all Directors confirmed that they have complied with the requirements of the Model Code during the Review Period.

PURCHASE, SALE AND 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 Review Period.

AUDIT COMMITTEE

The Company established the audit committee ("**Audit Committee**") on 22 July 2019 in accordance with Rule 3.21 of the Listing Rules with terms of reference aligned with the provisions of the Code as set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of external auditor; to review the financial information of the Group; and to oversee the financial reporting system, risk management and internal control procedures of the Company. Throughout the Review Period, the Audit Committee consists of three members, namely Ms. Ding Xin, Professor Lam Sing Kwong Simon and Ms. Zhang Lingke. Ms. Ding Xin is the chairlady of the Audit Committee.

REVIEW OF INTERIM FINANCIAL RESULTS

The interim financial results of the Group for the Review Period are unaudited but have been reviewed and approved by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

By order of the Board
Junwea Group (China) Company Limited
Zhou Zhenlin
Chairman and Executive Director

Hong Kong, 31 August 2026

As at the date of this announcement, the Board comprises Mr. Zhou Zhenlin, Ms. Peng Yunying and Mr. Guo Xianjiao as executive Directors and Ms. Ding Xin, Ms. Zhang Lingke and Professor Lam Sing Kwong Simon as independent non-executive Directors.