Build King Holdings Limited

(Incorporated in Bermuda with limited liability)
(Stock Code : 00240)

2025 ANNUAL REPORT

CONTENTS

Financial Highlights

FINANCIAL PERFORMANCE HIGHLIGHTS

Percentage of increase in equity** per share	10%
Equity	HK$2,922 million
Equity per share	HK$2.35
Group revenue	HK$13,843 million
Profit attributable to owners of the Company	HK$453 million
Final dividend per share	HK7.0 cents
Special dividend per share	HK6.0 cents

** *equity refers to equity attributable to owners of the Company*

FINAL AND SPECIAL DIVIDENDS

The board of directors (the "Board") of the Company recommends the payment of a final dividend of HK7.0 cents (2024: HK7.5 cents) per ordinary share and a special dividend of HK6.0 cents (2024: HK6.0 cents) per ordinary share for the year ended 31 December 2025.

The gain in shareholders' equity of Build King Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") during 2025 was HK$259 million whilst the equity per share increased by 10% to HK$2.35. Since the listing of the Group in 2004, our cumulative gain in equity has increased thirty fold which, taking into account the dividends paid over the years as well as the new capital raised in 2010, is equivalent to a compound annual growth of 19%.

Our turnover in 2025 was HK$13.8 billion, a decrease of 4% compared with 2024; this was due to the fierce competition and adverse operating environment. Our profit increased marginally from last year's HK$429 million to this year's HK$450 million. Considering the industry climate we are facing, I would say that we are actually doing quite well, compared with most players in this industry.

Since my last report, we have been awarded a total of only HK$10.3 billion of new works reflecting the tough conditions we face. At the time of writing this report, our outstanding order book stands at HK$30.8 billion. This means we have only slightly over two years of workload. With some of our major projects nearing completion in the coming year there is an urgent and pressing need for us to win new projects to keep our loyal and dedicated staff fully deployed. A bit of good news is that the HKSAR Government announced an increase in spending on infrastructure from HK$120 billion to HK$150 billion per annum in 2026. Also, with the property market in Hong Kong gradually stabilising, we are beginning to see some developers starting to tender for land again. These two factors will hopefully mean there will be more opportunities to tender during the coming year. However, we are still operating in an extremely competitive market but we will do our utmost to win our share.

The reason for the drop in the Group turnover is that several of the new contracts we have been awarded have been seriously delayed with construction work unable to commence due to land resumption issues on the Clients side. In addition, the price fluctuation index (PFI) for Government projects dropped some 1 to 3% during 2025, impacting not only profit but also our turnover.

Last year I wrote that our result in 2025 would be 'safe' but sadly I do not have the same confidence for our performance in 2026. Most of our current contracts were won at a very competitive prices with very tight margins and it will be extremely difficult for us to maintain a net 3% profit. Given that most of our current projects were tendered at 4% to 5% gross margin (i.e. before overhead and tax), we have to outperform our tender assumptions by 4% or more to maintain our bottom-line. This is not expected to be possible. In the longer term, we will look elsewhere for new sources of income to which I will come to later.

BUSINESS ANALYSIS

A) Construction

The core business of our Group is construction, which this year represents close to 98% of our turnover. All our construction activities at present are carried out in Hong Kong.

1) Civil Engineering

This year, the turnover of our Civil Engineering Division was HK$8.0 billion, an increase of 3% compared with that of 2024. This division contributed HK$508 million in gross profit in the year. We currently have 40 active Civil projects on hand, including 21 in joint venture ("JV") with other contractors. At present, most of our active projects are progressing well, with only a few facing difficulties and losses. We are trying our best to contain these losses and get the projects completed as soon as possible.

On tendering this year, we were awarded a total of only HK$2.2 billion of new civil projects; this was disappointing and is much less than the amount of work completed during the same period. In 2026, we are hopeful there will be opportunities to tender for more projects than previously and we hope to have reasonable success but rest assured we will do our very best to secure our share.

Given the tenders we have currently on hand and those we expect during the year ahead, I am hopeful that we will be successful and able to maintain or even better our current civil engineering turnover in 2026.

BUSINESS ANALYSIS (Continued)

A) Construction (Continued)

2) Building

The turnover of our Building Division this year was HK$5.1 billion, a decrease of 15% when compared with that of 2024. This division contributed HK$305 million of gross profit in this year. Our Building Division has improved significantly over the last few years. During the year I am very pleased to report that we were commended by most of our public and private clients on our performance on both quality and progress. Currently we have 15 active building projects on hand, including 2 in JV with other Contractors. Since my last report, we have been awarded a total of HK$7.4 billion of new building projects.

At this juncture, there is still a gap between us and the top tier building contractors but I feel confident that the gap is getting narrower year by year. This is certainly good news for the Group.

3) Specialist Subsidiaries

Our four special subsidiaries registered a total turnover of HK$1,374 million, and netting a gross profit of HK$186 million in 2025.

Again our foundation and earthwork specialist (Titan Foundation Limited) was the star performer, followed by our interior fit-out company Build King Interior & Construction Limited ("BKIC") who made a small profit. Even our Electrical & Mechanical Division, Integral E&M Engineering Limited and Integral E&M Contracting Limited ("E&M Division") is showing signs of improvement and I am hopeful that in two years' time or so, both BKIC & E&M Division may become small but meaningful profit centres for Build King.

4) Increase of our operation efficiency

I now come back to the one important measure that we intend to implement in next two to three years.

As we are all know AI has been developing worldwide extremely rapidly and we see breakthroughs on an almost daily basis. In view of the amount of paperwork we have to handle in our industry every day and the ever increasing restrictions on procedures and approvals that contractors need to obtain prior to any physical work commencing, it is essential that we are able deal with this administration work more efficiently. We see this being achieved by the increased use of IT systems and AI. As mentioned in my last report, the Development Bureau is pushing to create a Central Data Environment ("CDE"). This is essentially an integrated system allowing knowledge to be shared by everyone involved simultaneously. The aim is to make faster decisions based on more accurate information and thus in the long term reduce operating costs and overheads.

To this end, actually we had been working on this for the last 2 years, directly under the supervision of one of our Operating Directors. We have decided to introduce full-fledged adoption of CDE on new contracts and in two years' time, all of our projects will have to adopt the new system.

However, we are aware that this will be a very long process and we will have to face the reality that the initial costs will be high. However ultimately there will be overall savings however I predict that it will take 3 to 5 years for these to be significant. We will closely monitor the progress and I will report to you in next report.

BUSINESS ANALYSIS (Continued)

B) Environmental Infrastructure Projects in China

1) Steam Supply to factories in the Industrial Park (mainly in Gansu province)

This year we supplied on average 115 Ton/hr, an increase of 28% over that supplied in 2024. However this was still 10 Ton/hr less than our forecast at the beginning of the year. We registered a loss of HK$9 million for 2025, although we obtained a positive cashflow of HK$52 million.

With current user demand expected to increase next year and with new plant under construction, we expect usage to go up meaningfully in 2026 and our target is to achieve a supply level of 165 Ton/hr. This increase is expected to result in a profit of HK$11 million per annum or more together with a positive net cashflow of up to HK$84 million. I hope I can report this good news to you this time next year.

2) Wuxi Sewage Treatment Plant

Our operation in Wuxi is progressing normally and we have by now received all the cash for the transfer of our share in the Wuxi Plant.

As mentioned in my last report, we now own just 20% of the plant, whilst still providing operating service to the old plant as well as to the newly built Phase 2 plant. All in all, in 2025 this area we registered a profit of HK$6 million.

C) Investment in Securities and other activities

1) There was no major change in our stock or bond portfolio, as a result this is very little gain/loss in the area.

2) There is good news on our investment of HK$400 million in the Road King project in Shenzhen where construction has finally commenced on site. It is expected that Road King will be in a position to start selling the units in the third quarter of 2026. By that time we hope the property market will have stabilized somewhat and we can sell at a fair price.

OUTLOOK

Looking ahead, the outlook is slightly more positive but we still expect difficult market conditions in Hong Kong for another 2 to 3 years.

I am less confident that we will be able to maintain our profitability as previous years. In order to avoid this, our success in winning tenders would have to be much higher than in the past and the final accounts on completed projects would have to be settled well above our current forecast figures. We are therefore taking a realistic view and are planning to take steps to find new profit centres as follows:

1) Adopt more use of IT and AI. As I explained above if we can eventually find a better way to carry out our current tasks, we should be able in the longer term to reduce our headcount on site and in head office. We will seek not only to be more efficient in our operation on site but also in the office in areas of accounting, HR systems, commercial management, reporting and even on the use of paper via AI or IT means. By careful control such savings should be greater than the money invested in software and setting up new systems. If in the end Build King can be even a few percent more efficient than our competitors, we should have an edge over others in winning new projects. However we must also be mentally alert that we may not end up as successful as we hope, and that efficiencies we achieve maybe diluted by the extra costs involved. However I am determined that we insist on trying to do the right thing and eventually achieve what we set out to do.

Chairman's Letter

OUTLOOK (Continued)

2) In China we will continue to improve and increase our environmental infrastructure projects in China to give us a larger, steady and healthy annual income. My long term profit target is HK$80^{+} million each year. I hope we can achieve this target in 3 to 5 years' time.

3) We will seek more specialist activities in which to establish ourselves in areas where the work nature is related to our main business. This would be similar to the way our current specialist subsidiaries operate. We will look for specific areas where margins will be higher than in general contracting.

4) We will explore construction markets outside Hong Kong. Initially we will look at both Singapore as well as the Middle East. In these places there are few strong local players with most of the competitors coming from elsewhere.

Certainly the above initiatives won't give us any immediate improved results. But given time, we are reasonably confident that some of the above will bear fruit and result in extra profit; with care I believe we are on the right path to adding increased value to the Group.

CORPORATE GOVERNANCE

Communication with Shareholders

I have been candid with you in my reporting, and I will emphasize the pluses as well as minuses that are important in appraising the Group. My guideline is to tell you the business facts that I would want to know if our positions were reversed; I owe you nothing less. There may be some queries or issues you want to raise and so I strongly encourage shareholders to attend the annual general meeting of the Company to be held on 22 May 2026. This is the occasion where the management and owners of the company can discuss the business face to face.

DIVIDEND POLICY

I am pleased to advise that based on the earning of HK$0.365 per share, as per last year, we will distribute 30% of our profit to shareholders, i.e. HK$0.11/share; after deducting the HK$0.04/share we paid out in the interim, this will leave HK$0.07/share to be distributed as final dividend. We understand the financial conditions are very tough at present and most shareholders need extra cash to weather the long cold winter ahead. Due to our current strong balance sheet, this year the Board again decided to distribute a special dividend of HK$0.06/share. This is a very rare event, and I am pretty sure Build King will be unlikely to be able to do the same over the next 2-3 years; we won't have such luxury to do so. In addition, we need to reserve more cash to be safe and face the challenges and opportunities in future.

APPRECIATION

Finally, I would like to take this opportunity to again express my hearty gratitude to our shareholders, clients, business partners, directors and not least, to our staff for their hard work and loyalty.

Zen Wei Peu, Derek
Chairman

Hong Kong, 26 March 2026

OVERALL RESULTS

The Group is principally engaged in building construction and civil engineering works in Hong Kong. In addition to its core construction activities, the Group also generates revenue from environmental infrastructure projects in Mainland China. For the year ended 31 December 2025, the Group's revenue amounted to HK$13.8 billion, representing a decrease of 4% compared with last year (2024: HK$14.4 billion).

The Group recorded a gross profit of HK$1 billion for the year ended 31 December 2025, compared with HK$1.2 billion in 2024. The gross profit margin was 7.5%, versus 8.0% a year ago. The decrease in gross profit was primarily because certain newly awarded projects were still at early stages of construction and had not yet made significant contributions.

Profit attributable to the shareholders for the year ended 31 December 2025 amounted to HK$453 million, compared to HK$434 million in 2024. The increase was mainly due to reductions in administrative expenses, other expenses and the share of loss from joint venture.

The Group's taxation charge for the year was HK$73 million (2024: HK$68 million).

OPERATIONAL REVIEW

Hong Kong

The Group provides a full spectrum of construction services in Hong Kong, including building construction, civil engineering, foundation, electrical and mechanical, interior refurbishment and fitting-out works. Total revenue from construction contracts amounted to HK$13.6 billion for the year ended 31 December 2025 (2024: HK$14.2 billion). As of the date of the report, the Group had total contracts on hand amounting to HK$30.8 billion, which secure the revenue of the Group for the next two years. Segment profit, after deducting direct costs, decreased to HK$530 million (2024: HK$581 million). The decline was mainly attributable to delays in certain newly awarded projects caused by slow land resumption, as well as a decrease in the price fluctuation index.

Environmental infrastructure projects in Mainland China

The Group operates a sewage treatment plant in Wuxi that treats household and industrial wastewater, as well as steam supply plants in Gansu and Hubei that provide steam to clients in industrial parks. Total revenue generated from environmental infrastructural operations in Mainland China amounted to HK$241 million for the year ended 31 December 2025 (2024: HK$215 million). Segment profit, after deducting direct costs, increased to HK$34 million (2024: loss of HK$17 million). Total output capacity for the Group's five operating steam plants increased from an average of 90 tons per hour in 2024 to an average of 115 tons per hour in 2025, representing an increase of 28%.

Major investment

The Group holds a 10% interest in Haitao Garden, an urban renewal project located at 58 Haitao Road, Yantian District, Shenzhen, the People's Republic of China. The project, originally built in the 1980s, is being redeveloped for residential and commercial use. Construction of the project has commenced, and sales may begin as early as the third quarter of 2026. As at 31 December 2025, the remaining 90% interest of the project was held by Road King Infrastructure Limited ("Road King"), a connected person of the Company under the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Employees and Remuneration Policies

As at 31 December 2025, the Group had a total of 3,587 employees, and total remuneration for the year ended 31 December 2025 was approximately HK$2,132 million. Competitive remuneration packages are structured for each employee commensurate with individual responsibility, qualifications, experience, and performance. In addition, discretionary bonuses may be paid depending upon the financial performance of the Group as well as the performance of the individual.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2025, the Group had liquid assets of HK$2,661 million (2024: HK$1,992 million) comprising financial assets at fair value through profit or loss of HK$73 million (2024: HK$460 million), time deposits with an original maturity of not less than three months of HK$1 million (2024: HK$1 million) and bank balances and cash of HK$2,587 million (2024: HK$1,531 million).

As at 31 December 2025, the Group had a total of interest-bearing borrowings of HK$88 million (2024: HK$99 million) comprising bank loans of HK$88 million (2024: HK$76 million), other creditors of nil (2024: HK$23 million). The maturity profile of the interest-bearing borrowings for both years is as follows:

	At 31 December 2025 HK$ million	At 31 December 2024 HK$ million
On demand or within one year	**48**	73
In the second year	**1**	1
In the third to fifth year inclusive	**39**	25
	88	99

The Group's borrowings, bank balances and cash, and financial assets at fair value through profit or loss were mainly denominated in Hong Kong dollars. As a result, the Group is not significantly exposed to foreign exchange rate fluctuations. During the year, the Group had no financial instrument for hedging purposes. As at 31 December 2025, total borrowings of HK$42 million (2024: HK$27 million) carried interest at fixed rates.

Capital Structure and Gearing

As at 31 December 2025, total equity was HK$2,910 million (2024: HK$2,675 million) comprising ordinary share capital of HK$124 million (2024: HK$124 million), reserves of HK$2,797 million (2024: HK$2,538 million) and non-controlling interests of (HK$11 million) (2024: HK$13 million).

As at 31 December 2025, the gearing ratio, representing total interest-bearing borrowings as a percentage of total equity, was 3% (2024: 4%).

Pledge of Assets

As at 31 December 2025, bank deposits of the Group amounting to HK$90 million (2024: HK$81 million) were pledged to banks for securing the banking facilities granted to the Group.

EXECUTIVE DIRECTORS

ZEN Wei Peu, Derek, age 73, has been the Chairman of the Company since 23 April 2004. He is a member of the Remuneration Committee and the Nomination Committee of the Company. He is also the Chairman and Chief Executive Officer of Wai Kee Holdings Limited ("Wai Kee") and the Chairman of Road King, the shares of both are listed on the Main Board of the Stock Exchange. He is also a director of Emmaus Life Sciences, Inc., whose common stocks are traded on the OTC Market in USA. Mr. Zen holds a Bachelor of Science degree in Engineering from The University of Hong Kong and a Master Degree in Business Administration from The Chinese University of Hong Kong. He is a member of the Institution of Civil Engineers and The Hong Kong Institution of Engineers and a fellow member of the Institution of Quarrying, the United Kingdom ("UK"). He was the Honorary Treasurer of Hong Kong Construction Association. He has over 50 years of experience in civil engineering.

LUI Yau Chun, Paul, age 65, has been appointed as an Executive Director of the Company since 1 December 2021. Mr. Lui joined the Group in 1998. He currently is the Group's Chief Operating Officer, and a director of various companies of the Group. He is a member of the Institution of Structural Engineers and the Hong Kong Institution of Engineers. Mr. Lui has over 35 years of experience in civil and marine engineering. He is responsible for the Group's civil and marine engineering operation in Hong Kong.

TSUI Wai Tim, age 63, has been appointed as an Executive Director of the Company since 1 December 2021. He is a director of various companies of the Group and various subsidiaries of Wai Kee. Mr. Tsui is a chartered and registered professional engineer. He is a fellow of the Hong Kong Institution of Engineers, the Institution of Civil Engineers, the Hong Kong Institute of Construction Managers, the Hong Kong Institution of Highways and Transportation, and the Institute of Quarrying, and a member of the Hong Kong Institute of Real Estate Administrators and the Chartered Institute of Logistics and Transport. Mr. Tsui is a Director of the Hong Kong Construction Materials Association Limited, a former Member of the Occupational Safety & Health Council, a former Vice President and Council Member of the Hong Kong Construction Association, a former Advisor and Member of the Pneumoconiosis Compensation Fund Board, and a former Chairman of the Building Division of The Hong Kong Institution of Engineers. Mr. Tsui has over 40 years of experience in various types of investment projects, quarrying, property development, property management, large-scale civil engineering, building and foundation projects in Hong Kong, the PRC and overseas. He is responsible for the Group's environmental infrastructure projects in the PRC.

CHAN Chi Ming, age 59, has been appointed as an Executive Director and Company Secretary of the Company since 13 February 2025. Mr. Chan joined the Group in October 2024 as a finance director and he is also a director of various companies of the Group. He is also the member of the Environmental, Social and Governance Committee of the Company. Mr. Chan holds a Master's degree in Accounting from the University of Cambridge, a Professional Certificate in Innovation and Entrepreneurship from the Stanford University and a Master's degree in Business Administration from the Hong Kong University of Science and Technology. He is a fellow of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. He has over 30 years of experience in financial management, corporate finance and corporate governance. Mr. Chan was previously an executive director of companies listed on the Main Board of the Stock Exchange. Mr. Chan is responsible for overseeing the finance, human resources, digital, administration and company secretarial departments of the Group.

Directors and Senior Management

NON-EXECUTIVE DIRECTORS

David Howard GEM, age 85, has been appointed as a Non-executive Director of the Company since 9 August 2004. He had been a member of the Audit Committee of the Company since 29 July 2005 and resigned on 12 January 2011. He is a Chartered Engineer and is a member of both the Institution of Civil Engineers, London and The Hong Kong Institution of Engineers. He is also a member of The Chartered Institute of Arbitrators and a fellow of The Hong Kong Institute of Highways and Transportation. He has over 45 years of experience with contractors in the management, design and construction of a wide variety of civil engineering and building projects in UK, Asia and Hong Kong. He was a past Vice President of The Hong Kong Construction Association and Chairman of The Civil Engineering Committee. He was also a past Chairman of the Civil Engineering Division of The Hong Kong Institution of Engineers and a past member of the Construction Advisory Board to the Hong Kong Government.

CHAN Chi Hung, Anthony, age 52, has been appointed as a Non-executive Director of the Company since 4 December 2008. He holds a Bachelor of Science Degree with major in Economics with University of Minnesota, and is an alumni of Stanford Graduate School of Business with a certificate of Stanford Executive Program. He is currently an independent non-executive director of Milan Station Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange. Mr. Chan was previously the Investment Manager of Springfield Financial Adv. Ltd. in charge of its private equity, fund-of-funds and fixed income investment portfolios. Prior to that, he was with J.P. Morgan Chase.

CHANG Kam Chuen, Desmond, age 60, was appointed as an Executive Director of the Company in 2008 and has been re-designated to a Non-executive Director on 21 May 2024. He was also the Company Secretary of the Company from 31 May 2005 to 29 December 2023. He is a fellow member of The Hong Kong Institute of Certified Public Accountants and an associate member of Chartered Institute of Management Accountants, UK. He has over 35 years of experience in accounting profession and financial management.

INDEPENDENT NON-EXECUTIVE DIRECTORS

HO Tai Wai, David, age 77, has been appointed as an Independent Non-executive Director of the Company since 8 September 2004. He is the Chairman of the Audit Committee, and a member of the Remuneration Committee, the Nomination Committee and the Environmental, Social and Governance Committee of the Company. Mr. Ho has over 50 years of experience in finance and accounting. He is a fellow member of the Association of Chartered Certified Accountants of UK, The Hong Kong Institute of Certified Public Accountants and CPA Australia. Mr. Ho holds a Master of Business Administration Degree from The Chinese University of Hong Kong. He is an independent non-executive director of Left Field Printing Group Limited, Lion Rock Group Limited and Road King, all shares of which are listed on the Main Board of the Stock Exchange.

LING LEE Ching Man, Eleanor, SBS, OBE, JP, age 78, has been appointed as an Independent Non-executive Director of the Company since 30 September 2014. She is the Chairwoman of the Remuneration Committee, and a member of the Audit Committee, the Nomination Committee and the Environmental, Social and Governance Committee of the Company. Mrs. Ling had over 30 years of management experience with one of the largest multinational group in Asia and is a Fellow of the Institute of Chartered Management. Mrs. Ling has retired but remains involved in public services. She is a Vice Patron of the Community Chest.

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

LO Yiu Ching, Dantes, GBS, JP, age 80, has been appointed as an Independent Non-executive Director of the Company since 30 November 2018. He is the Chairman of the Nomination Committee, and a member of the Audit Committee, the Remuneration Committee and the Environmental, Social and Governance Committee of the Company. Mr. Lo is a professional civil and structural engineer. He is fellows of the Institution of Civil Engineers, Institution of Structural Engineers and Hong Kong Institution of Engineers. He has engaged for more than 50 years in the administration, planning, design and construction of various major capital works projects in Hong Kong and overseas. Mr. Lo joined the Hong Kong Government in 1974 as an Engineer and was promoted to Director of Civil Engineering in 1999 and Director of Highways in 2000. From 2002 to 2006, he was appointed as the Permanent Secretary for the Environment, Transport and Works (Works). He retired from the civil service in 2006. Mr. Lo then served as a senior consultant to the Hospital Authority on capital planning. Subsequently, Mr. Lo had been appointed as a board member and later Advisor to the CEO of The Airport Authority Hong Kong. Mr. Lo is a distinguished adjunct professor in the Department of Civil Engineering, University of Hong Kong. He is also the Honorary President of the Association of Engineering Professionals in Society. He was an independent non-executive director of China Overseas Grand Oceans Group Limited from 18 May 2010 to 27 March 2023, the shares of which are listed on the Main Board of the Stock Exchange.

NG Cheuk Hei, Shirley, age 56, has been appointed as an Independent Non-executive Director of the Company since 25 May 2020. She is the Chairwoman of the Environmental, Social and Governance Committee, and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. She holds a Doctorate Degree in Management from Shanghai University of Finance and Economics, a Master Degree in Chinese Law from Renmin University of China, a Master Degree in Management with major in Marketing Management from Macquarie University (Sydney, Australia) and a Bachelor Degree in Business (International Trade) from Monash University (Melbourne, Australia). She has over 25 years of experience in the fintech digital economy and IT industry, and has extensive knowledge in business and marketing management, product marketing, product development and consulting experience in digital payment solution, IT and telecommunication and system integration solution. Ms. Ng is currently an independent non-executive director of Lion Rock Group Limited, the shares of which are listed on the Main Board of the Stock Exchange. Ms. Ng was previously the vice president (strategic solutions and marketing) of Global Payments Inc. from 2016 to 2018. From 2013 to 2016, Ms. Ng was the managing director (Asia Pacific) of GeoSwift Payment Technology Limited. Prior to the aforesaid, Ms. Ng held various senior management positions in a number of large multinational companies.

Directors and Senior Management

SENIOR MANAGEMENT

CHAN Wing Ho, Vincent, age 49, is responsible for the Group's civil engineering operation in Hong Kong. He is a director of Build King Construction Limited ("BKCL"), Build King Civil Engineering Limited ("Build King Civil") and Build King (Zens) Engineering Limited ("Build King (Zens) Engineering"). He holds a Master Degree of Science and a Bachelor Degree in Civil Engineering from The University of Hong Kong. He is a fellow member of The Hong Kong Institution of Engineers and a Registered Professional Engineer (CVL). He is the Vice President of Hong Kong Institution of Highway and Transportation and a council member of Hong Kong Construction Association. He has over 25 years of experience in civil engineering construction.

CHEUNG Siu Lun, age 75, is a director of BKCL, Build King Civil and Build King (Zens) Engineering. He is currently a senior consultant of the Group. He holds a Bachelor of Science Degree in Civil Engineering from The University of Hong Kong. He is a fellow of The Hong Kong Institution of Engineers. He is a member of the Faculty Advisory Committee of the Faculty of Science and Technology of the Technological and Higher Education Institute of Hong Kong. He has over 50 years of experience in both civil engineering and building construction.

FONG Wai Pan, Felix, age 48, is responsible for the Group's building operation in Hong Kong. He is a director of BKCL, Build King Civil, Build King (Zens) Engineering and Cerebro Strategy Limited. He holds a Master Degree of Science and a Bachelor Degree in Civil Engineering from The University of Hong Kong. He is a committee member of Hong Kong Institution of Engineers Civil Division, a fellow member of the Hong Kong Institution of Engineers and Institution of Civil Engineers (UK). He is also a council member of Hong Kong Construction Association. He has over 25 years of experience in civil engineering and building construction.

KWOK Chi Ko, Enmale, age 69, is responsible for the Group's contract administration and commercial management for all building and construction related businesses. He is a director of BKCL, Build King Civil and Build King (Zens) Engineering. He holds an Engineering Doctorate Degree, a Master Degree in Arbitration & Dispute Resolution and a Master Degree in Laws. He is a Chartered Quantity Surveyor, a Registered Professional Surveyor (QS) and an Accredited Mediator and has been a Fellow Member of the Hong Kong Institute of Surveyors, the Royal Institution of Chartered Surveyors and the Chartered Institute of Arbitrators. He has had over 40 years of experience in building and construction industry.

LEE Man Wai, age 65, is responsible for the Group's tendering activities. He is a director of BKCL, Build King Civil and Build King (Zens) Engineering. He has over 40 years of extensive experience in tendering and commercial management of civil engineering and building projects in Hong Kong.

LIU Hoi Yu, Paul, age 51, is responsible for the Group's building operation in Hong Kong. He is a director of BKCL and Build King Civil. He holds a Master Degree in Civil Engineering and a Bachelor Engineering Degree from The University of Hong Kong. He is a fellow member of The Hong Kong Institution of Engineers and a Registered Professional Engineer (CVL & STR). He is a member of The Institution of Structural Engineers and the Chartered Institute of Building. He has over 25 years of experience in both civil engineering and building construction.

SENIOR MANAGEMENT (Continued)

LIU Sing Pang, Simon, age 64, is responsible for the Group's civil engineering operation in Hong Kong. He is a director of BKCL, Build King Civil and Build King (Zens) Engineering. He is a member of the Institution of Structural Engineers and a Fellow of the Hong Kong Institution of Engineers. He is also a member of the 6th Election Committee of Hong Kong Special Administrative Region, President of Hong Kong Construction Association and Supervisor of HKCA Po Leung Kuk School. He is also a member of Construction Industry Council and serves as the Chairperson of Construction Industry Training Board and a member of Hong Kong Institute of Construction Management Board. Additionally, he is a member of the Governing Council of the Hong Kong Quality Assurance Agency and the Chairman of Pneumoconiosis Compensation Fund Board. With 40 years of experience, he has extensive expertise in civil engineering and building construction.

SO Yiu Wing, Wilfred, age 51, is responsible for the Group's civil engineering operation in Hong Kong. He is a director of BKCL, Build King Civil and Build King (Zens) Engineering. He holds a Bachelor degree in Civil Engineering from The University of Hong Kong. He is a member of The Hong Kong Institution of Engineers and a Registered Professional Engineer (CVL). He is the Council Member of Hong Kong Construction Association. He has over 25 years of experience in civil engineering construction.

TSE Mau Kay, Keith, age 50, is responsible for the Group's civil engineering operation in Hong Kong. He is a director of BKCL, Build King Civil and Build King (Zens) Engineering. He holds a Master Degree of Science in Geotechnical Engineering and a Bachelor Degree in Civil and Structural Engineering from The University of Hong Kong. He is a member of The Hong Kong Institution of Engineers, The Institution of Civil Engineers (UK) and The Institution of Structural Engineers (UK). He is a committee member of Civil Division of The Hong Kong Institution of Engineers. He has over 25 years of experience in civil engineering construction.

YEOW Chin Lan, Denis, age 55, joined the Group in September 1999 and is the Group Financial Controller responsible for the financial management and accounting of the Group. He is a fellow member of the Association of Chartered Certified Accountants, UK. He has over 30 years of experience in auditing, accounting and financial management.

YIU Cheuk Hung, Kenneth, age 60, is responsible for the Group's building operation in Hong Kong. He is a director of BKCL and Build King Civil. He holds an Executive Master Degree of Business Administration from The Chinese University of Hong Kong and a Master Degree of Project Management from University of South Australia. He is a member of the Hong Kong Institution of Engineers, the Chartered Institute of Building (UK) and the Hong Kong Institute of Construction Managers. He is also a Registered Professional Engineer. He has over 35 years of experience in the construction industry including design, construction and project management.

YU Man Kit, Andy, age 51, is responsible for the Group's civil engineering operation in Hong Kong, as well as the digital transformation within the Group. He is a director of BKCL, Build King Civil, Build King (Zens) Engineering and Cerebro Strategy Limited. He holds a Bachelor Degree in Civil Engineering, a Professional Diploma in Construction Management and a Master Degree of Corporate Governance. He is a member of Institution of Civil Engineers (UK), the Institution of Engineers, Australia, the Chartered Association of Building Engineers and Hong Kong Institute of Construction Managers, associate member of Hong Kong Chartered Governance Institute and The Chartered Governance Institute. He is also a Registered Construction Manager in Hong Kong and a Chartered Civil and Building Engineer in UK. In addition, he is a member of Civil Engineering Committee of Hong Kong Construction Association. He has over 25 years of experience in civil engineering.

Directors' Report

The Directors present the annual report and the audited consolidated financial statements for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES AND SUBSIDIARIES

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 49 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the five largest customers of the Group together accounted for approximately 82% of the Group's revenue, with the largest customer accounted for approximately 54%, and the five largest suppliers of the Group together represented less than 12% by value of the Group's total purchases.

As of 31 December 2025, two Directors of the Company, namely Mr. Tsui Wai Tim and Mr. Ho Tai Wai, David, together with their respective close associates, held nominal beneficial interests in the listed shares of one of the Group's five largest customers.

Save as disclosed above, none of the other Directors, their close associates, or any shareholders (which to the knowledge of the Directors own more than 5% of the issued share capital of the Company), had any interests in the Group's five largest customers.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income on pages 110 and 111 respectively.

The Board recommends the payment of a final dividend of HK7.0 cents per ordinary share. The Board is of the opinion that the Company has a strong positive cash flow position and sufficient working capital to meet its present requirements. As such, the Board has decided to distribute an additional special dividend of HK6.0 cents per ordinary share.

Both final and special dividends are payable to shareholders whose names appear in the register of members of the Company on Monday, 1 June 2026. Together with the interim dividend HK4.0 cents per ordinary share paid on 29 September 2025, the total dividend payout for the year amounted to HK17.0 cents per ordinary share. Details of dividends are set out in note 14 to the consolidated financial statements.

Subject to the approval of shareholders at the forthcoming annual general meeting of the Company, it is expected that the payment of final and special dividends will be made on Tuesday, 16 June 2026.

CLOSURES OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting to be held on Friday, 22 May 2026 (the "2026 Annual General Meeting"), the register of members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 May 2026, both days inclusive, during which period no transfer of shares will be registered. The record date for the 2026 Annual General Meeting is on Friday, 22 May 2026. In order to be eligible to attend and vote at the 2026 Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:00 p.m. on Monday, 18 May 2026.

The proposed final and special dividends are subject to the approval of the shareholders at the 2026 Annual General Meeting. The record date for the proposed final and special dividends is on Monday, 1 June 2026. For determining the entitlement to the proposed final and special dividends, the register of members of the Company will be closed from Friday, 29 May 2026 to Monday, 1 June 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final and special dividends, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:00 p.m. on Thursday, 28 May 2026.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2025 is set out in the sections headed "Financial Highlights" on page 2, "Chairman's Letter" on pages 3 to 6, "Management Discussion and Analysis" on pages 7 to 8, "Corporate Governance Report" on pages 25 to 43, Environmental, Social and Governance Report on pages 44 to 104, "Consolidated Financial Statements" on pages 110 to 194 and "Financial Summary" on page 195. Descriptions of the principal risks and uncertainties facing the Group can be found throughout this annual report.

SEGMENTAL INFORMATION

Details of the segmental information are set out in note 6 to the consolidated financial statements.

SHARE CAPITAL

Details of the Company's share capital are set out in note 35 to the consolidated financial statements.

RESERVES

Details of movement in the reserves of the Group for the year are set out in the consolidated statement of changes in equity on page 114.

DISTRIBUTABLE RESERVES

The reserves of the Company which were available for distribution to the shareholders as at 31 December 2025 were HK$158,504,000.

EQUITY-LINKED AGREEMENTS

During the year, the Company had not entered into any equity-linked agreement.

FINANCIAL SUMMARY

A summary of the results and the financial position of the Group for the past five financial years is set out on page 195.

PROPERTY, PLANT AND EQUIPMENT

Details of movement in property, plant and equipment of the Group are set out in note 16 to the consolidated financial statements.

BANK BORROWINGS

Details of the Group's bank borrowings as at 31 December 2025 are set out in note 34 to the consolidated financial statements.

RETIREMENT BENEFITS SCHEMES

Details of the Company's pension schemes are set out in note 42 to the consolidated financial statements.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors of the Company during the year and up to the date of this report are:

Executive Directors

Zen Wei Peu, Derek *(Chairman, Chief Executive Officer and Managing Director)*
Lui Yau Chun, Paul
Tsui Wai Tim
Chan Chi Ming (appointed on 13 February 2025)
Luk Chi Chung, Peter (resigned on 13 February 2025)

Non-executive Directors

David Howard Gem
Chan Chi Hung, Anthony
Chang Kam Chuen, Desmond

Independent Non-executive Directors

Ho Tai Wai, David
Ling Lee Ching Man, Eleanor
Lo Yiu Ching, Dantes
Ng Cheuk Hei, Shirley

Details of the Directors are set out in the section headed "Directors and Senior Management".

In accordance with Bye-law 111 of the Company's Bye-laws, Mr. Zen Wei Peu, Derek, Mr. David Howard Gem, Mrs. Ling Lee Ching Man, Eleanor, and Ms. Ng Cheuk Hei, Shirley will retire from office by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at the meeting.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The Company has received from each Independent Non-executive Director an annual confirmation of his/her independence during the year ended 31 December 2025 pursuant to Rule 3.13 of the Listing Rules. The Company considers all the Independent Non-executive Directors to be independent.

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in note 11 to the consolidated financial statements.

DIRECTORS' INTERESTS

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company (the "Shares"), underlying shares, and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules, were as follows:

(I) The Company

Interests in Shares

Name of Director	Nature of interest	Number of Shares held Long position (Note)	Number of Shares held Short position	Percentage of shareholding (%)
Zen Wei Peu, Derek	Personal	122,825,228	–	9.89
Lui Yau Chun, Paul	Personal	1,683,092	–	0.14
Tsui Wai Tim	Personal	1,150,000	–	0.09
Chan Chi Ming	Personal	400,000	–	0.03
David Howard Gem	Personal	900,000	–	0.07
Chang Kam Chuen, Desmond	Personal	1,500,000	–	0.12

Note:

Long position in the Shares (other than pursuant to equity derivatives such as share options, warrants to subscribe, or convertible bonds).

DIRECTORS' INTERESTS (Continued)

(II) Associated Corporations

Interests in Shares

Name of Director	Name of company	Nature of interest	Number of shares held: Long position (Note 1)	Number of shares held: Short position	Percentage of shareholding (%)
Zen Wei Peu, Derek	Wai Kee	Personal	270,880,078	–	34.15
		Securities interest	24,601,000	–	3.11
	Build King (Zens) Engineering Limited (Note 2)	Personal	2,000,000	–	10.00
	Wai Luen Stone Products Limited	Personal	30,000	–	37.50
Lui Yau Chun, Paul	Wai Kee	Personal	200,000	–	0.03

Notes:

1. Long position in the shares (other than pursuant to equity derivatives such as share options, warrants to subscribe, or convertible bonds).

2. Formerly known as Wai Kee (Zens) Construction & Transportation Company Limited.

Save as disclosed above, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying shares, and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, none of the Directors nor their spouses or children under 18 years of age were granted or had exercised any rights to subscribe for any securities of the Company or any of its associated corporations.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debenture of, the Company or of any other body corporate.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the section headed "Connected Transactions" on pages 20 to 23 and in note 43 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or his or her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, every Director and everyone of his/her heirs, executors and administrators shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

The Company has arranged appropriate Directors' and Officers' Liability Insurance for its Directors and officers covering the costs, losses, expenses, and liabilities arising from the performance of their duties. The insurance policy covers legal action against its Directors and officers to comply with the requirement of the Corporate Governance Code set out in Appendix C1 of the Listing Rules. During the year, no claim was made against the Directors and officers of the Company.

COMPETING INTEREST

During the year, no Director was interested in the business which competed or was likely to compete either directly or indirectly, with the business of the Group as required to be disclosed under the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2025, so far as was known to the Directors or the chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under section 336 of the SFO:

		Number of Shares held and percentage of shareholding			
		Long position (Note 1)		Short position	
Name of substantial shareholder	Nature of interest	Number of Shares	%	Number of Shares	%
Top Horizon Holdings Limited ("Top Horizon") (Note 2)	Beneficial owner	724,435,033	58.33	–	–
Wai Kee (Zens) Holding Limited ("Wai Kee (Zens)") (Note 3)	Interest in a controlled corporation	724,435,033	58.33	–	–
Wai Kee (Note 4)	Interest in a controlled corporation	724,435,033	58.33	–	–

Notes:

1. Long position in the Shares.

2. Top Horizon is a direct wholly-owned subsidiary of Wai Kee (Zens). Mr. Zen Wei Peu, Derek is a director of Top Horizon.

3. Wai Kee (Zens) is deemed to be interested in the Shares through its interests in Top Horizon. Mr. Zen Wei Peu, Derek is a director of Wai Kee (Zens).

4. Wai Kee (Zens) is a direct wholly-owned subsidiary of Wai Kee. Accordingly, Wai Kee is deemed to be interested in the Shares through its interests in Wai Kee (Zens). Mr. Zen Wei Peu, Derek is the Chairman, the Chief Executive Officer, and an executive director of Wai Kee.

Save as disclosed above, as at 31 December 2025, no other person (other than the Directors or chief executive of the Company) had an interest or a short position in the Shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

CONNECTED TRANSACTIONS

Connected Transactions

Balancing Transactions following partial exercise of Loan Redemption Right

Reference was made to an investment agreement (the "Investment Agreement") entered into among Road King (a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange), Shine Precious Limited ("Shine Precious", an indirect wholly-owned subsidiary of Road King), the Company and Wise Start Global Limited ("Wise Start", an indirect wholly-owned subsidiary of the Company) on 6 October 2022 in respect of the formation of a joint venture in relation to Rainbow Triumph Limited (the "Project Company") for the purpose of the development of an urban renewal project involving the demolition and resettlement and re-development of a site located at Haitao Garden, 58 Haitao Road, Yantian District, Shenzhen, the PRC (the "Project"). Details of the transaction were disclosed in the Company's announcement and circular dated 6 October 2022 and 23 December 2022 respectively. The transactions contemplated thereunder were approved by independent shareholders at the special general meeting of the Company held on 13 January 2023.

On 24 January 2025, Wise Start gave notice to Shine Precious to exercise its right (the "Loan Redemption Right") to require the Project Company to repay HK$400 million in principal amount (representing 50%) of the shareholder loan (the "Shareholder Loan") due to Wise Start at the redemption price of HK$400 million in accordance with the terms of the Investment Agreement. Following the redemption due on 28 February 2025, Wise Start transferred to Shine Precious 1,000 shares (representing 50% of the shares held by Wise Start) in the Project Company at HK$7,850 to effect the balancing transactions (the "Balancing Transactions") so that the shareholding held by Wise Start in the Project Company is proportionate to the Shareholder Loan due to Wise Start.

Wai Kee is a substantial shareholder of the Company and therefore a connected person of the Company under the Listing Rules. Road King and Shine Precious are associates of Wai Kee and connected persons of the Company under the Listing Rules. Accordingly, the Balancing Transactions following the partial exercise of the Loan Redemption Right and the retention of the remaining 10% shares (the "Retention") in the Project Company attributable to the remaining Shareholder Loan constituted connected transactions of the Company under the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) calculated in respect of the Balancing Transactions and the Retention is more than 5% but less than 25%, and the total consideration is less than HK$10 million, each of the Balancing Transactions and the Retention was subject to the announcement and reporting requirements under Chapter 14A of the Listing Rules.

The transactions were announced by the Company in its announcements dated 24 January 2025. The details of the transactions are disclosed in note 27(e) to the consolidated financial statements.

CONNECTED TRANSACTIONS (Continued)

Connected Transactions (Continued)

Extension Agreement with Faith Oriental Investment Limited, an indirect wholly-owned subsidiary of Wai Kee ("Faith Oriental")

Reference was made to a sub-contract entered into between Faith Oriental (as main contractor) and Kaden-Titan JV ("Kaden-Titan JV", a joint venture between BKCL and Titan Foundation Limited, both being wholly-owned subsidiaries of the Company) (as sub-contractor), which was extended and supplemented by a supplementary agreement dated 25 April 2023 (the "Sub-Contract"). Pursuant to the supplementary agreement, the duration of the sub-contract made between Kaden-Titan JV and Faith Oriental on 21 July 2015 (the "Previous Sub-Contract") was extended to 31 December 2025 and the scope of works of the Previous Sub-Contract was expanded to include certain additional works. Details of the supplementary agreement were disclosed in an announcement dated 25 April 2023 and a circular to shareholders dated 3 May 2023. The transactions contemplated thereunder were subsequently approved by independent shareholders at the special general meeting of the Company held on 24 May 2023.

On 31 December 2025, Faith Oriental and Kaden-Titan JV further entered into an extension agreement (the "Extension Agreement") to extend the period of performance of services under the Sub-Contract to 30 September 2026 (or such later date as may be agreed between Faith Oriental and Kaden-Titan JV). Of the aggregate price for the Sub-Contract of approximately HK$694 million, the Group has received approximately HK$537 million as of 31 December 2025.

Faith Oriental is an indirect wholly-owned subsidiary of Wai Kee and Wai Kee is a substantial shareholder of the Company, and therefore, both are connected persons of the Company. Given that the effect of the Extension Agreement is solely to extend the time for the Group to perform its services under the Sub-Contract without any change of scope of its services or the basis upon which its services are to be charged and paid for, there is no material change to the Sub-Contract for the purposes of Chapter 14A of the Listing Rules and therefore no further independent shareholders' approval of, and independent financial advice on, the Extension Agreement was required.

Details of the Extension Agreement were disclosed in an announcement dated 31 December 2025. During the year, the value of the sub-contract works was HK$43,188,000 and the transaction is disclosed in note 43 to the consolidated financial statements.

CONNECTED TRANSACTIONS (Continued)

Continuing Connected Transactions

Framework Agreements with Wai Kee

On 30 November 2022, the Company entered into a framework agreement (the "2023 Framework Agreement") with Wai Kee, (a substantial shareholder of the Company and thus a connected person of the Company) whereby the Group might, but was not obliged to, purchase ready mixed concrete ("Concrete") from Wai Kee (or its subsidiaries and/or associates) from time to time during the period from 1 January 2023 to 31 December 2025 for the Group's construction projects, subject to the terms and conditions of 2023 Framework Agreement. The maximum aggregate value of the contract sum in respect of the purchase of Concrete by the Group from Wai Kee (or its subsidiaries and/or associates) for the periods concerned under the 2023 Framework Agreement was subject to annual caps set out below.

Period	Total value not exceeding
1 January 2023 - 31 December 2023	HK$380,000,000
1 January 2024 - 31 December 2024	HK$370,000,000
1 January 2025 - 31 December 2025	HK$430,000,000

The transaction contemplated under the 2023 Framework Agreement (the "Concrete CCT") was announced by the Company in its announcement dated 30 November 2022 and approved by independent shareholders at the special general meeting of the Company held on 23 December 2022.

During the year, the aggregate value of the Concrete CCT under the 2023 Framework Agreement was HK$265,604,000, and the transaction is disclosed in note 43 to the consolidated financial statements.

The above continuing connected transactions during the year have been reviewed by the Independent Non-executive Directors in accordance with Rule 14A.55 of the Listing Rules who have confirmed that the transactions have been entered into:

(a) in the ordinary course and usual course of business of the Group;

(b) on normal commercial terms; and

(c) in accordance with the terms of the 2023 Framework Agreement that are fair and reasonable and in the interest of the shareholders of the Company as a whole.

The Company has engaged the auditor of the Company to report the continuing connected transaction of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the Concrete CCT disclosed by the Group in this annual report in accordance with Rule 14A.56 of the Listing Rules.

CONNECTED TRANSACTIONS (Continued)

Continuing Connected Transactions (Continued)

Framework Agreements with Wai Kee (Continued)

A stable supply of Concrete is important to the Group's construction projects. The Concrete products that are offered by Wai Kee are mainly mixed concrete products of a comprehensive range. The Company entered into another framework agreement with Wai Kee on 24 November 2025 (the "2026 Framework Agreement") to renew the terms of the continuing sale and purchase of Concrete from 1 January 2026 to 31 December 2028 for the Group's construction projects.

Under the 2026 Framework Agreement, the Company and Wai Kee agreed that the maximum aggregate values of the contract sum in respect of the sale and purchase of Concrete for the three years ending 31 December 2028 will not exceed the amounts set out below:

Period	Total value not exceeding
1 January 2026 - 31 December 2026	HK$310,000,000
1 January 2027 - 31 December 2027	HK$430,000,000
1 January 2028 - 31 December 2028	HK$450,000,000

The transaction contemplated under the 2026 Framework Agreement was announced by the Company in its announcement dated 24 November 2025 and approved by independent shareholders at the special general meeting of the Company held on 19 December 2025.

DISCLOSURE PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Upon enquiry by the Company, save as disclosed below, there has been no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of publication of the Company's latest interim report:

Name of Director	Details of Changes
Chan Chi Ming	Mr. Chan has been appointed as a member of the Environmental, Social and Governance ("ESG") Committee with effect from 14 November 2025.
Ho Tai Wai, David	Mr. Ho has been appointed as a member of the ESG Committee with effect from 14 November 2025.
Ling Lee Ching Man, Eleanor	Mrs. Ling has been appointed as a member of the ESG Committee with effect from 14 November 2025.
Lo Yiu Ching, Dantes	Mr. Lo has been appointed as a member of the ESG Committee with effect from 14 November 2025.
Ng Cheuk Hei, Shirley	Ms. Ng has been appointed as an independent non-executive director and a member of the Audit Committee, Remuneration Committee and Nomination Committee of Lion Rock Group Limited (Stock Code: 1127) with effect from 15 October 2025. Ms. Ng has been appointed as the Chairwoman and a member of the ESG Committee of the Company with effect from 14 November 2025.

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

Neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's listed securities (including sale of treasury shares) during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DONATIONS

During the year, the Group made charitable and other donations amounting to approximately HK$1,507,000.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its Directors, the percentage of its public float exceeds 25% for the year ended 31 December 2025 and up to 26 March 2026, the latest practicable date to ascertain such information prior to the issue of this annual report.

AUDITOR

The consolidated financial statements have been audited by Messrs. Deloitte Touche Tohmatsu, and they shall retire as auditor of the Company upon the expiration of its current term of office with effect from the conclusion of the 2026 Annual General Meeting. A resolution for the re-appointment or appointment of auditor of the Company is to be proposed at the 2026 Annual General Meeting.

On behalf of the Board

Zen Wei Peu, Derek
Chairman

Hong Kong, 26 March 2026

The Company is committed to maintaining the highest standard of corporate governance as it believes that good corporate governance practices are fundamental to the effective operation of a company and can enhance shareholders' value as well as safeguard shareholders' interests. The Company places strong emphasis on a quality Board, accountability, sound risk management and internal control, appropriate risk-assessment, monitoring procedures and transparency to all shareholders and stakeholders.

Throughout the year of 2025, the Company has complied with the code provisions in Part 2 of Corporate Governance Code (the "Code") set out in Appendix C1 of the Listing Rules, except for code provision C.2.1 in respect of the separate roles of the chairman and chief executive officer.

Mr. Zen Wei Peu, Derek has been both the Chairman and Chief Executive Officer of the Company. In addition to his responsibilities as Chairman overseeing the function of the Board and formulating overall strategies and polices of the Company, Mr. Zen has taken up the management of the Group's business and overall operation. However, the day-to-day running of the Company has been delegated to the divisional heads responsible for the different aspects of the business.

THE BOARD

Vision, Culture and Values

Build King envisions to be a leading main contractor in Hong Kong to provide all round construction related service and be a preferred partner for customers, subcontractors, suppliers and joint ventures. Our cultures are found on three core values:

Integrity, innovation and professionalism. These three values are intertwined in all company policies and work practices.

Integrity: fulfilling commitments with honesty and high moral standard;

Innovation: our engineering innovation and resourcefulness have always been appreciated; and

Professionalism: delivering an integrated range of professional, technical and commercial services.

Role of the Board

The Company recognises the importance of a highly effective Board in the long-term success of the Group. In particular, we prioritise balanced and diverse board composition; independent and objective thinking; proficient and informed Directors; efficient and effective roles, committees and delegation; and prudent policies and processes including risk management.

The primary role of the Board is to protect and enhance shareholders' long-term value. It assumes the responsibility for providing effective and responsible leadership and control of the Group, and directing and supervising the Group's affairs in pursuit of the Group's strategic objectives.

The Board approves and monitors Group's strategies and policies, evaluates the performance of the Group and supervises the management. In addition, the Board reserved for its decisions all major matters of the Company, including ESG Reporting and monitoring progress around ESG material topics, approval and monitoring of budgets, internal control and risk management, dividend payout, material transaction (in particular those may involve conflict of interests), preparation and release of financial information, appointment of Directors, other significant financial and operational matters.

THE BOARD (Continued)

Role of the Board (Continued)

There is no separation of the role of the Chairman and the Chief Executive Officer in the Company. The Chairman provides leadership of the Board and undertakes the role of the Chief Executive Officer. Mr. Zen Wei Peu, Derek has taken up the management of the Group's business and overall operation. However, the day-to-day running of the Company has been delegated to the divisional heads responsible for the different aspects of the business.

The Board also ensures the good corporate governance policies and practices are implemented within the Group, and is responsible for performing the corporate governance duties including the following:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of the Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct manual applicable to employees and the Directors; and
- to review the Company's compliance with the Code and disclosures in the Corporate Governance Report.

The Internal Audit team has also carried out a compliance review on the Code and reported to the Board that the Group has properly followed the requirements of the Code.

The abovementioned policies, practices and code of conduct have been promulgated across the Group in the form of Employees' Handbook and internal memoranda. Senior management is responsible for implementation, and effectiveness is reviewed on a regular basis by internal audit.

Chairman and Chief Executive Officer

The Chairman and the Chief Executive Officer is Mr. Zen Wei Peu, Derek.

The role of the Chairman is to oversee the functioning of the Board and ensure the establishment of strategic direction of the Group. The Chairman provides leadership for the Board and ensures that the Company establishes sound corporate governance practices and procedures. He also encourages all the Directors to make a full and active contribution to the affairs of the Board.

There is no separation of the role of the Chairman and the Chief Executive Officer in the Company. The Chairman provides leadership of the Board and undertakes the management of the Group's business and overall operation. However, the day-to-day running of the Company has been delegated to the divisional heads responsible for the different aspects of the business.

The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the business of the Group given that there are a strong and independent element on the Board and a clear division of responsibility in running the business of the Group. The Board believes that the structure outlined above is beneficial to the Company and its business.

THE BOARD (Continued)

Composition

During the year and up to date of this report, the Board comprises the following Directors:

Board of Directors		
Executive Directors	Non-executive Directors	Independent Non-executive Directors
Zen Wei Peu, Derek *(Chairman, Chief Executive Officer and Managing Director)*	David Howard Gem	Ho Tai Wai, David
Lui Yau Chun, Paul	Chan Chi Hung, Anthony	Ling Lee Ching Man, Eleanor
Tsui Wai Tim	Chang Kam Chuen, Desmond	Lo Yiu Ching, Dantes
Chan Chi Ming *(Company Secretary)* (Note 1)		Ng Cheuk Hei, Shirley
Luk Chi Chung, Peter (Note 2)		

Notes:

1. Mr. Chan Chi Ming has been appointed as Executive Director, Company Secretary and Authorised Representative of the Company with effect from 13 February 2025. Mr. Chan had obtained the legal advice regarding his appointment on 7 February 2025 and he had confirmed that he understood his obligations as a Director of the Company.

2. Mr. Luk Chi Chung, Peter resigned as Executive Director, Company Secretary and Authorised Representative of the Company with effect from 13 February 2025.

As at the date of this report, the Board comprises eleven Directors including four Executive Directors, three Non-executive Directors and four Independent Non-executive Directors. With the expertise contributed by each of the Directors, the Board has a wide spectrum of valuable business experience, knowledge and professionalism for its efficient and effective functioning. Biographical details are set out in the "Directors and Senior Management" section of this annual report. An updated list of Directors and their respective roles and functions are available on the websites of the Company and the Stock Exchange.

The Group has several mechanisms in place to encourage independent and objective thinking by its Directors and the Board as a whole. Firstly, Independent Non-executive Directors are well-represented on the Board, with four in number, over one-third of the Board, and at least one with accounting or related financial management expertise. Secondly, the Chairman encourages open discussion amongst Directors, and solicits independent perspectives from the Independent Non-Executive Directors in particular. Thirdly, at least once per year, the Chairman has a separate meeting with the Independent Non-executive Directors to ensure their voices are being heard effectively. Finally, all Board members individually have access to the Company Secretary and senior management, and independent professional advice would be sought through the Company Secretary. The Board has reviewed the implementation and effectiveness of such mechanism for the year ended 31 December 2025.

There is no financial, business nor family relationship among members of the Board.

Appointment and Re-election

Pursuant to the Bye-laws of the Company, the Board may appoint a director either to fill a causal vacancy or as an addition to the Board from time to time during the year following the recommendation from the Nomination Committee. Any Director appointed by the Board to fill a causal vacancy and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. In addition, at each annual general meeting, at least one-third of the Directors for the time being shall retire from office by rotation and are eligible for re-election.

THE BOARD (Continued)

Non-executive Directors

Each Non-executive Director (including Independent Non-executive Director) of the Company has entered into a letter of appointment with the Company, for a specific term of not more than three years, subject to re-election at the general meeting.

Independence of Independent Non-executive Directors

The Group values the independent judgement on Board through balanced composition of members. The Chairman encourages open discussion and seeks independent view from Independent Non-executive Directors when necessary, on top of a separate meeting with Independent Non-executive Directors held every year.

The Company received written confirmation of independence from each of the Independent Non-executive Directors in respect of the year ended 31 December 2025, pursuant to Rule 3.13 of the Listing Rules. The Board considers all the Independent Non-executive Directors to be independent.

Board Meetings

The Board meets regularly at least four times each year and additional meetings are arranged if and when required. The Directors play an active role in participating the Company's meetings through contribution of their professional opinions and active participation in discussion. During the year, the attendance records of individual Directors at the Board meetings, meetings of the four Board Committees, namely Audit Committee, Nomination Committee, Remuneration Committee and ESG Committee, the annual general meeting held on 21 May 2025 and the special general meeting held on 19 December 2025 are set out below.

	Meetings Attended/Held						
Name of Director	Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	ESG Committee Meeting	Annual General Meeting held on 21 May 2025	Special General Meeting held on 19 December 2025
Executive Directors							
Zen Wei Peu, Derek	4/4	–	2/2	2/2	–	1	1
Lui Yau Chun, Paul	4/4	–	–	–	–	1	1
Tsui Wai Tim	4/4	–	–	–	–	1	1
Chan Chi Ming *(Company Secretary)*	4/4	–	–	–	1/1	1	1
Non-executive Directors							
David Howard Gem	0/4	–	–	–	–	0	0
Chan Chi Hung, Anthony	4/4	–	–	–	–	1	1
Chang Kam Chuen, Desmond	4/4	–	–	–	–	0	0
Independent Non-executive Directors							
Ho Tai Wai, David	4/4	3/3	2/2	2/2	1/1	1	1
Ling Lee Ching Man, Eleanor	4/4	3/3	2/2	2/2	1/1	1	1
Lo Yiu Ching, Dantes	4/4	3/3	2/2	1/2	1/1	1	1
Ng Cheuk Hei, Shirley	4/4	3/3	2/2	2/2	1/1	1	1

"-": Not applicable

THE BOARD (Continued)

Board Meetings (Continued)

Notice of a regular Board meeting is given to all Directors at least 14 days before each meeting, and all Directors are given the opportunity to include matters in the agenda for discussion at the Board meetings. The agenda and meeting materials are normally sent to all Directors at least three days before the regular Board meetings (and so far as practicable for such other Board meetings) to ensure that they have sufficient time and attention to the affairs of the Company.

In order to have an effective Board, all Directors are provided with information on activities and developments in and the financial performance of the Group's business on a regular basis to keep them appraised of the latest developments of the Group. They have full access to information on the Group and are able to invite management and professional advisers, where appropriate, to attend Board meetings.

All Directors have direct access to the Company Secretary who is responsible for advising the Board on corporate governance and compliance issues. The Company Secretary is also responsible for taking the minutes of Board and Board Committees' meetings. Such minutes are open for inspection by Directors.

Each Director is required to make disclosure of his/her interests or potential conflict of interests, if any, in any proposed transactions or issues discussed by Directors at the Board and Board Committees' meetings. Any Director shall not vote on any resolution of the Board and Board Committees approving any contract or arrangement or any other proposal in which he/she (or his/her associates) is materially interested nor shall he/she be counted in the quorum present at the meeting.

Directors' Induction and Continuous Professional Development

Directors should keep abreast of their collective responsibilities. Briefing of the Group's business will be given to newly appointed Director and a comprehensive induction package including the statutory and regulatory obligations of a director of a listed company shall also be provided. The Group also provides seminars and trainings to develop and refresh the Directors' knowledge and skills. The Group continuously updates the Directors on the latest developments regarding the Listing Rules and applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices.

During the year, the Group provided training courses to the Directors and the management.

THE BOARD (Continued)

Directors' Induction and Continuous Professional Development (Continued)

All Directors are requested to provide the Company with their respective training records pursuant to the Code. Trainings received by each of the Directors during the year are summarized as follows:

Name of Director	Type of continuous professional development
Executive Directors	
Zen Wei Peu, Derek	A, B
Lui Yau Chun, Paul	A, B
Tsui Wai Tim	A, B
Chan Chi Ming (appointed on 13 February 2025)	A, B
Non-executive Directors	
David Howard Gem	A, B
Chan Chi Hung, Anthony	A, B
Chang Kam Chuen, Desmond	A, B
Independent Non-executive Directors	
Ho Tai Wai, David	A, B
Ling Lee Ching Man, Eleanor	A, B
Lo Yiu Ching, Dantes	A, B
Ng Cheuk Hei, Shirley	A, B

Notes:

A: attending trainings, seminars and/or conferences

B: reading newspapers, journals and updates relating to the economy, general business, accounting, laws, rules and regulations, etc.

Board Diversity Policy

The Board has adopted a Board Diversity Policy. The policy aims to set out the approach to achieve diversity on the Board to ensure that the Board has the balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and/or length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee has been delegated with the responsibility for implementing, monitoring and reviewing of the Board Diversity Policy. Any revisions to the Board Diversity Policy as recommended by the Nomination Committee would be submitted to Board for consideration and approval. The Board has reviewed the implementation and effectiveness of the Policy for the year ended 31 December 2025.

THE BOARD (Continued)

Board Diversity Policy (Continued)

As at the date of this report, nearly one-fifth of our Directors is female. The Board aims to maintain at least such a level of female representation in its Board. The Board will engage independent professional search firms, as and when appropriate, in its work to increase female representation on the Board and to develop a pipeline of potential successors to the Board to achieve gender diversity.

While we would aspire to have more female representation amongst our senior management as part of succession planning and to increase female representation amongst our workforce, we are also mindful of the significant challenges in doing so as the market in which we operate (construction in particular) traditionally has a predominantly male workforce. We will continue to take opportunities to increase the proportion of females amongst our staff, as and when suitable candidates are identified. Details on the gender ratio of the Group together with relevant data are narrated under the Environment, Social and Governance Report in this Annual Report.

BOARD COMMITTEES

The Board has delegated authority to four Board Committees, namely Audit Committee, Nomination Committee, Remuneration Committee and ESG Committee, to oversee particular aspects of the Company's affairs.

Audit Committee

Composition

The Audit Committee was formed in 2004 and currently comprises four members, namely Mr. Ho Tai Wai, David (Chairman of the Audit Committee), Mrs. Ling Lee Ching Man, Eleanor, Mr. Lo Yiu Ching, Dantes and Ms. Ng Cheuk Hei, Shirley, all of whom are Independent Non-executive Directors.

Role and Function

The main responsibilities of the Audit Committee are to review the consolidated financial statements and the external auditor's reports, and to monitor the integrity of the consolidated financial statements. It also assists the Board to oversee financial reporting system, risk management, internal control systems and internal and external audit functions. The Committee meets at least twice a year with the Company's external auditor to discuss the audit process and accounting issues. The updated terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

BOARD COMMITTEES (Continued)

Audit Committee (Continued)

Summary of Work Done

The following is a summary of major work performed by the Audit Committee during the year ended 31 December 2025 and up to the date of this report:

- Approval of remuneration and terms of engagement of the external auditor;
- Review of its terms of reference;
- Review of the annual results of the Group for the years ended 31 December 2024 and 2025, and the interim results of the Group for the six months ended 30 June 2025;
- Review of the Group's financial information, financial reporting procedures, risk management, internal control systems, and financial and accounting policies and practices;
- Review of external auditor's independence and objectivity and the effectiveness of the audit process;
- Review of the audit plan, including an assessment of the impact of the new accounting standards applicable to the Group, for the year ended 31 December 2025;
- Review of internal/external auditor's significant findings and recommendations, and monitoring of the subsequent implementation;
- Recommendation to the Board to re-appoint or appoint the external auditor at the 2025 and 2026 annual general meetings;
- Review of the effectiveness of the internal audit function of the Company;
- Review of the 2026 internal audit plan;
- Review of the findings in the internal control reports;
- Review and recommendation to the Board for the approval of the Group's Whistleblowing Policy;
- Review of the continuing connected transactions of the Group; and
- Meetings with the external auditor, in the absence of Executive Directors and management.

BOARD COMMITTEES (Continued)

Nomination Committee

Composition

The Nomination Committee was set up in 2012 and currently comprises five members, namely Mr. Lo Yiu Ching, Dantes (Chairman of the Nomination Committee), Mr. Ho Tai Wai, David, Mrs. Ling Lee Ching Man, Eleanor, Ms. Ng Cheuk Hei, Shirley and Mr. Zen Wei Peu, Derek. Except for Mr. Zen Wei Peu, Derek, an Executive Director, all other members are Independent Non-executive Directors.

Role and Function

The Nomination Committee was established to ensure that there are deliberative, considered and transparent procedures for the appointment of the Directors. The duties of this Committee include reviewing the structure, size and composition (including but not limited to gender, age, cultural background, educational background, skills, knowledge, professional experience and/or length of service) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become members of the Board and selecting, or making recommendations to the Board on the selection of, individuals nominated for directorships based on merit against objective criteria and with due regard for the benefits of diversity on the Board. The updated terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

Recognising the other demands placed on Directors, the Nomination Committee has reviewed the capacity of each Director to carry out his/her duties, and is satisfied with his/her level, effectiveness and contributions.

Summary of Work Done

The following is a summary of the work performed by the Nomination Committee during the year ended 31 December 2025 and up to the date of this report:

- Review of the structure, size and composition (including but not limited to gender, age, cultural background, educational background, skills, knowledge, professional experience and/or length of service) of the Board;
- Review of its terms of reference;
- Assessment of the independence of the Independent Non-executive Directors;
- Review of the Nomination Policy and the Board Diversity Policy (collectively the "Policies") and the measurable objective for implementing the Policies; and
- Determination of the rotation of the Directors for the 2025 and 2026 annual general meetings.

Nomination Policy

The Company has a Nomination Policy for the nomination of Directors. The policy aims to set out the approach to guide the Nomination Committee in relation to the identification and selection of individuals suitably qualified to become Directors and the making of recommendation to the Board on the individuals nominated for directorships and the re-election of Directors.

BOARD COMMITTEES (Continued)

Nomination Committee (Continued)

Nomination Procedures

Appointments of new Directors are first considered by the Nomination Committee. In considering the appointment of a Director, the Committee applies criteria such as relevant experience, professional and educational background, reputation for integrity and independence as well as the diversity on the Board as mentioned in the Board Diversity Policy, including but not limited to gender, age, cultural background, educational background, skills, knowledge, professional experience and length of service.

For the retiring Directors to be re-elected at annual general meeting, other than the consideration of selection criteria and the diversity on the Board mentioned above, the Committee will evaluate their overall contribution and service to the Company.

The recommendations of this Committee are then put to the Board for consideration and approval. Thereafter, any Director appointed by the Board is subject to re-election at the general meeting after his/her appointment.

In February 2025, upon the recommendation of the Nomination Committee, the Board approved the appointment of Mr. Chan Chi Ming as an Executive Director. In accordance with Bye-laws 94 and 111 of the Company's Bye-laws, he retired from office and was re-elected at the annual general meeting held on 21 May 2025.

Remuneration Committee

Composition

The Remuneration Committee was formed in 2005 and currently comprises five members, namely Mrs. Ling Lee Ching Man, Eleanor (Chairwoman of the Remuneration Committee), Mr. Ho Tai Wai, David, Mr. Lo Yiu Ching, Dantes, Ms. Ng Cheuk Hei, Shirley and Mr. Zen Wei Peu, Derek. Except for Mr. Zen Wei Peu, Derek, an Executive Director, all other members are Independent Non-executive Directors.

Role and Function

The Remuneration Committee has been established to ensure that there are formal and transparent procedures to assist the Board in determining the remuneration policy of the Company and structuring the remuneration of senior management. This Committee is responsible for making recommendation to the Board on the Company's policy and structuring for all Executive Directors' and senior management's remuneration, and reviewing and approving the management's remuneration proposal with reference to the Board's corporate goals and objectives. It also determines, with delegated responsibility, remuneration packages of individual Executive Directors and senior management, and makes recommendations on remuneration of Non-executive Directors (including Independent Non-executive Directors). The Remuneration Committee is also responsible for reviewing and/or approving matters relating to share schemes in accordance with the Listing Rules. The updated terms of reference of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

BOARD COMMITTEES (Continued)

Remuneration Committee (Continued)

Summary of Work Done

The following is a summary of the work performed by the Remuneration Committee during the year ended 31 December 2025 and up to the date of this report:

- Review of its terms of reference;
- Approval of the renewed service contract of an Executive Director;
- Approval of performance bonus of Executive Directors, senior management and employees;
- Review of the emoluments of Non-executive Directors and Independent Non-executive Directors;
- Recommendation to the Board for any salary adjustment of Executive Directors and senior management in 2026; and
- Recommendation to the Board for any salary adjustment of employees (excluding Directors and senior management) in 2026.

Remuneration policy

Competitive remuneration packages of Executive Directors and senior management are structured to commensurate with individual responsibilities, qualification, experience and performance. In addition, discretionary bonuses may be paid depending upon the financial performance of the Group as well as the performance of the individual. No individual determines his own remuneration.

The remuneration of a Director is determined with reference to his/her duties and responsibilities with the Company and the prevailing market situation. Details of the emoluments of Directors for the year ended 31 December 2025 are set out in note 11 to the consolidated financial statements of this annual report. The emoluments paid to senior management (excluding the Executive Directors) for the year ended 31 December 2025 were within the following bands:

	Number of Senior Management
Up to HK$3,000,000	2
HK$3,000,001 to HK$4,000,000	2
HK$4,000,001 to HK$5,000,000	3
HK$5,000,001 to HK$6,000,000	2
HK$6,000,001 to HK$7,000,000	3
HK$7,000,001 to HK$8,000,000	1

BOARD COMMITTEES (Continued)

ESG Committee

Composition

The ESG Committee was set up in 2025 and currently comprises five members, namely Ms. Ng Cheuk Hei, Shirley (Chairwoman of the ESG Committee), Mr. Ho Tai Wai, David, Mrs. Ling Lee Ching Man, Eleanor, Mr. Lo Yiu Ching, Dantes and Mr. Chan Chi Ming. Except for Mr. Chan Chi Ming, an Executive Director, all other members are Independent Non-executive Directors.

Role and Function

The ESG Committee has been established to provide ongoing oversight of ESG and climate change matters. The duties of this Committee include reviewing and recommending enhancements to the Company's ESG strategy to ensure alignment with stakeholder expectations, regulatory requirements, and the Company's long-term sustainability objectives. It supervises the identification, assessment, and management of material ESG and climate-related risks and opportunities. The ESG Committee is also responsible for reviewing the annual ESG Report in accordance with the Listing Rules.

Summary of Work Done

As the ESG Committee was established in December 2025, its inaugural meeting was held immediately thereafter to review the Company's major ESG initiatives for the year. During this meeting, the Committee also determined the direction and approach for drafting the ESG report. Following the financial year-end, a subsequent meeting was conducted to review the report and recommend it to the Board for approval for the year ended 31 December 2025.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors' Securities Transactions. All Directors have confirmed, following specific enquiry, that they have complied with the Model Code throughout the year ended 31 December 2025.

The Company has also adopted a code of conduct governing securities transactions by employees who are likely to be in possession of unpublished price-sensitive information in relation to the Group.

Formal notifications are sent by the Company to all Directors and relevant employees reminding them that they should not deal in the securities of the Company during the "black out period" specified in the Model Code.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities, with the support from the Finance and Accounting Department, to prepare the consolidated financial statements of the Company in accordance with statutory requirements and applicable accounting standards. The Directors, having made appropriate enquiries, are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements on a going concern basis.

The Directors are aware of the requirements under the applicable Listing Rules and statutory regulations with regard to the timely and proper disclosure of price sensitive information, announcements and financial disclosures and authorizes their publication as and when required.

EXTERNAL AUDITOR'S REMUNERATION AND REPORTING RESPONSIBILITIES

Messrs. Deloitte Touche Tohmatsu has been re-appointed as the Company's external auditor at the annual general meeting of 2025 until the conclusion of the next annual general meeting.

The fees paid/payable to external auditor for audit and non-audit services for the year ended 31 December 2025 are as follows:

Type of services	Fee paid/payable HK$
Audit	2,610,000
Non-audit services	
Interim review	714,000
Other services	1,112,000
Total	4,436,000

Note: Other services comprise of tax and other consulting services for the Group.

The statement of the Company's external auditor, Messrs. Deloitte Touche Tohmatsu, regarding their reporting responsibilities is set out in the Independent Auditor's Report on pages 105 to 109 forming part of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the responsibility to maintain sound and effective risk management including material risks relating to ESG and internal control systems to safeguard the Company's assets and shareholders' interest.

The Company's Enterprise Risk Management system is based on the Committee of Sponsoring Organizations of the Treadway Commission's "Internal Control – Integrated Framework" as revised in 2013 (the "Framework"). The Framework features 17 principles across the 5 components, all of which must be present, functioning and operating in an integrated manner in order to effectively reduce risk to an acceptable level. The Framework requires judgement in designing, implementing and conducting internal control, and in assessing its effectiveness. There is no one-size-fits-all approach in designing a Risk Management and Internal Control system.

The Company's Risk Management and Internal Control Assessment is carried out at least once per year. The Internal Audit team will work with the responsible line management together to review their responsible operations. All major changes will be followed up and highlighted in the final report.

One key component of the Framework featured in the report is Risk Assessment, including Fraud Risk Assessment will be conducted by both the responsible line management and Internal Audit team. The major risks will be identified and classified into 9-box matrix by their impact ranging from severe/critical to limited/minor, and probability from low to high. How to manage the risks and their latest status will be followed up and documented for future reference.

The internal control system comprises a well-defined organizational structure and comprehensive policies and standards. Responsibilities of each business and operational unit are clearly defined to ensure effective authority delegation and proper segregation of duties.

Firstly, the Internal Audit team tailors the individual assessment based on previous results. Secondly, the responsible line management for each major unit should take this opportunity to review how to control the operation and how to deal with the major risks. Thirdly, the Internal Audit team will analyze and clarify the information gathered with the responsible line management, if necessary, walk-through exercises and substantive tests may be conducted. Finally, the results of assessment will be prepared and distributed to all Executive Directors, the Audit Committee and External Auditor for their information.

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

The Audit Committee, which was delegated by the Board, has reviewed and evaluated, via the Internal Audit team, the effectiveness of the Group's risk management including ESG risks and internal control systems put in place by management covering all material controls, including financial, operational and compliance controls as well as risk management functions of the Company and its subsidiaries for the year ended 31 December 2025. The management considered that the overall risk management and internal control systems of the Company and its subsidiaries were effective and adequate. The Company will continue to maintain the adequacy of resources for these key functions in the future.

During the year, there was no incident and deficiency in internal controls being noted regarding the Concrete CCT. At the request of the Audit Committee, the Internal Audit team carries out regular review and monitoring of the Concrete CCT to ensure the value of the transaction will not exceed the approved cap and proper internal controls are in place.

During the year, the Internal Audit team conducted systematic reviews of the Group's risk management and internal control systems by using a risk-based audit approach and reviewed the effectiveness of the Group's systems of risk management and internal control in order to provide reasonable but not absolute assurance of the effectiveness of the systems. The Internal Audit team had carried out its mission by:

- identifying and prioritizing potential business risks;
- performing risk-based audits;
- evaluating effectiveness of and compliance with internal policies and procedures;
- analyzing causes for errors and irregularities found;
- recommending good internal controls to prevent unintentional mistakes, discourage fraudulent acts, and promote operational efficiency and ethical standards;
- performing follow up procedures on corrective actions;
- appraising the soundness and adequacy of various departments' ongoing maintenance of internal controls;
- providing consulting and advisory services on control and related matters;
- conducting independent investigation of situations raised by whistleblowers, if any; and
- maintaining open communication with the Chairman, Audit Committee, auditee management and External Auditor.

The risk management and internal control review is carried out by the Internal Audit team, comprising well qualified and experienced professionals, and the responsible line managers, who are experienced and familiar with their responsible operations. Such systematic and joint-effort approach will be fine-tuned every year to ensure the best results can be reached. In addition to the systematic review of the Group's risk management and internal control system, ad hoc audit will be carried out to address certain concerns separately, if required.

The Internal Audit team reports directly to the Audit Committee and has free access to review all aspects of the Group's activities and control systems. The Internal Audit team reports audit findings together with recommendations to the Audit Committee on a timely basis upon completion of the relevant audit review. All critical audit findings and control weaknesses are summarized and presented to the Audit Committee on an annual basis, which in turn reports to the Board.

QUALITY ASSURANCE, SAFETY AND ENVIRONMENTAL MANAGEMENT

The Group is committed to achieving excellence in Quality, Safety and Environmental Protection. Since 2004, it has adopted an Integrated Management System, a comprehensive and systematic management approach that incorporates a consistent set of standards and processes applied uniformly across the Group. This system is regularly reviewed and updated to adapt to evolving circumstances and comply with new legislation. Continuous monitoring and reporting are conducted at all levels, supplemented by internal and external audits, to maintain full compliance.

As a testament to its dedication, the Group continues to be accredited under internationally recognised standards, including ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015. The Group's relentless pursuit of excellence in quality, safety and environmental management has been recognised through numerous industry awards. Included below are some of the recognitions received in 2025.

The 31st Considerate Contractors Site Award Scheme, presented by the Development Bureau of Hong Kong SAR Government, and the Construction Industry Council

- Three Considerate Contractors Site Awards (Bronze Award)
- Five Considerate Contractor Site Awards (Merit Award)
- Outstanding Environmental Management & Performance Award (Bronze Award)
- Seven Outstanding Environmental Management & Performance Awards (Merit Award)
- Innovation Award for Safety and Environmental Excellence (Gold Award)
- Four Innovation Awards for Safety and Environmental Excellence (Merit Award)

The 24th Hong Kong Occupational Safety and Health Award, presented by the Occupational Safety & Health Council, and the Labour Department of Hong Kong SAR Government

- Work Safe Behaviour Award (Merit Award)
- Safety Culture Award (Bronze Award)
- Best Program for Work Safety & Health in Hot Weather Award (Gold Award)
- Safety Performance Award (Excellence Award)
- Four Safety Performance Awards (Outstanding Award)
- Rookie Safety Performance Award (Excellence Award)
- Rookie Safety Performance Award (Outstanding Award)

QUALITY ASSURANCE, SAFETY AND ENVIRONMENTAL MANAGEMENT (Continued)

The Construction Safety Week 2025 - Life First, presented by the Development Bureau of Hong Kong SAR Government, and the Construction Industry Council

- "Walk the Talk - Care round-the-clock" Award (Bronze Award)
- "Walk the Talk - Care round-the-clock" Award (Excellence Award)
- Four "Walk the Talk - Care round-the-clock" Awards (Merit Award)
- "Construction Safety – Innovative Technologies" Competition Award (Excellence Award)
- Three "Construction Safety – Innovative Technologies" Competition Awards (Merit Award)
- "Frontline Team Safety Performance" Award (Bronze Award)
- "Frontline Team Safety Performance" Award (Excellence Award)
- Two "Frontline Team Safety Performance" Awards (Merit Award)
- "Construction Site Welfare and Facilities for Workers" Award (Silver Award)
- "Construction Site Welfare and Facilities for Workers" Award (Excellence Award)
- Two "Construction Site Welfare and Facilities for Workers" Competition Awards (Merit Award)

The HKCA Proactive Safety Contractor Awards 2024, presented by the Hong Kong Construction Association ("HKCA")

- Proactive Safety Contractor Award

The Construction Industry Safety Award Scheme 2024/2025, presented by the Labour Department of Hong Kong SAR Government

- Safety Teams Category (Bronze Prize)
- Safety Teams Category (Meritorious Prize)

QUALITY ASSURANCE, SAFETY AND ENVIRONMENTAL MANAGEMENT (Continued)

The Hong Kong Green Awards 2025, presented by the Green Council

- Two Environmental, Health and Safety Awards (Large Corporation) (Silver Award)
- Five Environmental, Health and Safety Awards (Large Corporation) (Bronze Award)
- Two Environmental, Health and Safety Awards (Large Corporation) (Merit Award)
- Three Green Management Awards – Project Management (Large Corporation) (Gold Award)
- Three Green Management Awards – Project Management (Large Corporation) (Silver Award)
- Seven Green Management Awards – Project Management (Large Corporation) (Bronze Award)
- Four Green Management Awards – Project Management (Large Corporation) (Merit Award)
- Innovative Initiative Award (Large Corporation) – High Replicability
- Innovative Initiative Award (Large Corporation) – Outstanding Impact
- Sustained Performance 7 years +
- Two Sustained Performance 5 years +
- Sustained Performance 4 years +
- Three Sustained Performance 3 years +

The UNSDG Achievement Awards Hong Kong 2025, presented by the Green Council

- Ten Recognised Project Awards

The ESG Recognition Scheme 2024, presented by Hong Kong Construction Association

- Two ESG Contribution Advocate Awards
- Two Out-Performer Awards

The HKCA Hong Kong Construction Environmental Award 2024 Environmental Merit Award, presented by the Hong Kong Construction Association

- Three Environmental Merit Awards

The 2024 Hong Kong Awards for Environmental Excellence, presented by the Environment and Ecology Bureau of Hong Kong SAR Government and the Environmental Campaign Committee

- Two Certificates of Merit

QUALITY ASSURANCE, SAFETY AND ENVIRONMENTAL MANAGEMENT (Continued)

The Autodesk Hong Kong BIM Awards 2025, presented by Autodesk

- BIM Awards
- Enterprise BIM and Digital Transformation Award

The CICES Award 2025, presented by the Chartered Institution of Civil Engineering Surveyors ("CICES")

- Building Contractor of the Year

The Hubexo Asia Award 2025, presented by Hubexo Asia Hong Kong

- Hubexo Asia Award 2025 (Top 10 Contractors)

The NEC Martin Barnes Awards 2024, presented by the New Engineering Contract ("NEC")

- Contractor of the Year (Highly Commended)

The HKIE Civil Division Civil Engineering Excellence Award 2024/25, presented by The Hong Kong Institution of Engineers ("HKIE")

- Silver Award

Throughout the year, the Group has fulfilled its responsibilities as a conscientious corporate entity, demonstrating strong managerial commitment and professional expertise. Looking ahead, the Group will continue to lead by example, inspiring employees and subcontractors to further enhance the Group's performance in quality assurance, safety and environmental protection.

CONSTITUTIONAL DOCUMENTS

The Company's Bye-laws was amended and adopted by the shareholders at the 2023 annual general meeting. The Company has not made any change to its constitutional documents in 2025. The Company's Bye-laws is available on the websites of the Stock Exchange and the Company.

SHAREHOLDERS' RIGHTS

The Board and management shall ensure shareholders' rights and all shareholders are treated equitably and fairly. Pursuant to the Bye-laws of the Company, any shareholder entitled to attend and vote at a general meeting of the Company is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. Shareholders holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition. In addition, shareholders holding not less than one-twentieth of the total voting rights or not less than 100 shareholders may submit a written request to the Company stating the resolution intended to be proceeded at the annual general meeting.

Any vote of shareholders at a general meeting must be taken by poll (other than procedural and administrative matters). Voting results are posted on the websites of the Company and the Stock Exchange on the day of the general meeting.

Detailed procedures for the shareholders to convene a special general meeting, putting forward proposals at a general meeting and proposing a person for election as a Director are also available on the website of the Company.

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to maintaining effective communication with the shareholders and investors. To this end, the Company maintains an open dialogue with the shareholders and investors through the Company's financial reports, press releases and general meetings that may be convened, as well as making available all the disclosures submitted to the Stock Exchange to provide regular and timely public disclosures on the Company's operating performance and corporate developments.

The Board has established a shareholders' communication policy setting out various channels of communication, with the objective of enabling the shareholders to assess the Company's overall performance, exercise their rights in an informed manner and engage actively with the Company.

The Company regards its shareholders' meeting as an important means of communication with the shareholders in which the shareholders will be able to have an open dialogue with the Board. The Board members, in particular, the chairmen of the Board Committees and management executives are available to answer questions of the Group's business at the annual general meetings. External auditor also attends the Company's annual general meetings and addresses queries from the shareholders relating to the conduct of the audit, and the preparation and content of its auditor's report.

Apart from holding shareholders' meeting in hybrid format and implementing e-voting since 2022 annual general meeting, the Company also endeavours to maintain effective communication with all shareholders through other channels such as publication of annual and interim reports, announcements and circulars so as to provide extensive information on the Group's activities, business strategies and developments, and financial position. Such information is also available on the websites of the Company and the Stock Exchange.

Shareholders are also provided with contact details of the Company, such as telephone hotline, fax number, email address and postal address, to enable them to make any queries or comments on the Company at any time.

The Board has reviewed the implementation and effectiveness of the shareholders' communication policy. As there are various channels of communication available for the shareholders, the Board considered that the shareholders' communication policy is effective.

DIVIDEND POLICY

The Company has adopted a Dividend Policy. It aims to provide shareholders with stable and sustainable returns.

In proposing any dividend payout, the Board shall take into account, inter alia, the Group's financial condition, working capital requirements and future expansion plans, actual operations and liquidity position, the Company's retained earnings, distributable reserves and cash flow situation, general economic condition and other factors that the Board considers appropriate.

Environmental, Social and Governance Report

Dear shareholders,

On behalf of the Board of Directors ("the Board") of Build King Holdings Limited ("Build King" or "the Company"), I am pleased to present our tenth Environmental, Social and Governance ("ESG") Report, covering the period from 1 January 2025 to 31 December 2025. This report reflects our continued commitment to transparency, accountability and responsible business practices.

At Build King, we recognise the importance of strong governance, carbon visibility, and continuous innovation to support long-term resilience. Guided by our core values of integrity, innovation, and professionalism, we remain dedicated to creating lasting value for our stakeholders while contributing to a more sustainable future for our people, our communities, and the environment. These principles guide our decisions and shape our response to the evolving demands of our industry.

In 2025, we established a Board-level ESG Committee to provide strategic oversight of ESG matters, including climate management, and sustainability performance. This governance enhancement reflects our commitment to embedding sustainability at the highest levels of decision-making. We also introduced ESG training across the organisation to raise awareness and build internal capacity, ensuring our leadership and employees are equipped to drive climate-conscious and sustainable project delivery.

We also advanced our climate strategy by identifying key climate risks and opportunities, and improving the measurement of Scope 3 emissions across our value chain. These steps help us build a stronger foundation for future planning and engagement with our supply chain.

Throughout the year, we deepened our engagement with stakeholders to better understand their evolving expectations. An updated materiality assessment, conducted with support from an independent third party, enabled us to focus on the ESG issues most relevant to both our business and our stakeholders.

On behalf of the Board, I extend my sincere appreciation to our management teams and employees for their dedication to delivering on our sustainability commitments in 2025.

Zen Wei Peu, Derek
Chairman

Hong Kong, 26 March 2026

ABOUT THIS REPORT

This Report focuses on our core operations in Hong Kong, where we serve as a main contractor delivering comprehensive construction-related services. Our client base includes Hong Kong government departments, quasi-governmental bodies, institutions, and private developers. Due to variations in reporting standards across regions, this Report does not include information on our environmental infrastructure projects in Mainland China.

The Report outlines our environmental, social, and governance ("ESG") performance and initiatives, along with the relevant Key Performance Indicators ("KPIs"), covering the period from 1 January 2025 to 31 December 2025. Detailed disclosures can be found on pages 85 to 87.

This Report has been prepared with reference to both local and internationally recognized reporting frameworks, including Appendix C2 of the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited ("HKEX ESG Code"). A summary of key performance data is provided in the *Performance Data Summary 2025* section. Additionally, a content index is included at the end of the Report to help readers navigate the document and to demonstrate alignment with the HKEX ESG Code.

FEEDBACK

For further information regarding our Group and the ESG Report, please refer to the hyperlinks below:

Corporate Website:

https://www.buildking.hk

ESG Report:

https://www.buildking.hk/sustainability/corporate-responsibility/esg

We value your opinion and feedback on our ESG Report, and welcome your suggestions on how we could further enhance our performance.

Contact information:

Address: 6/F, Tower B,
Manulife Financial Centre,
223 Wai Yip Street, Kwun Tong,
Kowloon, Hong Kong
Email: info@buildking.hk

OUR ESG MANAGEMENT

Corporate Governance

We uphold the highest standards of corporate governance, aligning with the Corporate Governance Code ("CG Code") under Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Board has delegated specific responsibilities and authorities to four Board Committees: the Audit Committee, Nomination Committee, Remuneration Committee, and the newly established Environmental, Social and Governance Committee, each tasked with overseeing key governance areas.

Further information on our governance framework is available under the Corporate Governance Report section on pages 25 to 43.

ESG Governance

The Board holds ultimate responsibility for the Group's ESG strategy, oversight and disclosure. It provides strategic guidance on ESG matters, including climate-related risks and opportunities, key business activities and risk management processes.

In 2025, the Board strengthened ESG governance by establishing a Board-level ESG Committee. Comprising four Independent Non-executive Directors and one Executive Director, the Committee oversees the development and execution of the Group's ESG strategy, goals and targets. It reviews ESG and climate-related policies, monitors climate-related risk management, and supports integrating ESG considerations into the Group's operations. The Committee meets annually and reports directly to the Board, providing updates and recommendations on ESG initiatives and disclosures.

At the operational level, the Board has established a Sustainability Division responsible for managing the Group's day-to-day ESG and climate-related activities. This dedicated team reports to the ESG Committee and works closely with various operating departments, including the Business Department, Human Resources Department, Procurement Department, Safety & Environment Department, Finance Department, Administration Department and Training & Development Department, to implement ESG policies tailored to each departments' roles and responsibilities.

To strengthen ESG oversight, the Group engaged an external consultant in 2025 to provide ESG and climate-related training to the Board and the ESG Committee. The training covered emerging ESG trends, HKEX's enhanced climate disclosure requirements and market best practices supported by relevant case studies.

ESG Governance Structure

THE BOARD

- Provides strategic oversight of ESG and climate policies
- Oversees risk management and decision-making on ESG matters and climate resilience

ESG COMMITTEE

- Reviews and recommend enhancements to the ESG strategy in alignment with regulatory expectations and stakeholder interests
- Integrates climate considerations into business planning and risk frameworks
- Monitors ESG targets and performance, and reports to the Board on progress and risks
- Reviews the adequacy of ESG-related resources and training

SUSTAINABILITY DIVISION

- Led by dedicated sustainability personnel
- Manages operational ESG-related matters and supports cross-departmental coordination

OUR ESG MANAGEMENT (Continued)

ESG Strategy

We are committed to driving sustainable development through a strategic ESG framework centered around four key focus areas: Environmental Stewardship, People Wellbeing, Operational Excellence, and Ethics & Governance. These focus areas form the foundation of our approach to long-term value creation and sustainable growth.

Our ESG strategy is aligned with the United Nations Sustainable Development Goals (SDGs). We have identified eight priority SDGs that are most relevant to our business and have embedded them across our four ESG focus areas to support structured planning, align business practices with global priorities, and enhance overall ESG performance.

OUR ESG MANAGEMENT (Continued)

Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

We proactively engage a diverse range of stakeholders, including customers, business partners, employees, supply chain partners, and academia, to understand their expectations, priorities, and perspectives. These insights are critical to shaping ESG strategies that create shared value and address material ESG topics effectively.

In 2025, we conducted engagement through one-on-one interviews and online surveys, gathering valuable input on ESG topics most important to our stakeholders and the long-term success of our business.

Materiality Assessment

To ensure our ESG strategy remains dynamic and relevant, we conduct a comprehensive materiality assessment every three years. This process enables us to stay aligned with evolving stakeholder expectations, regulatory developments, and global sustainability standards.

In 2025, we completed our most recent materiality assessment using a structured three-step approach:

Identification

ESG topics were identified based on stakeholder input, industry benchmarks, peer review and global standards (e.g. HKEX ESG Code, GRI, ISSB, TCFD).

Prioritisation

Internal and external stakeholders contributed feedback via surveys and interviews. Topics were then prioritised based on their potential impact on the Group and stakeholders.

Validation

Findings were reviewed by the ESG Committee.

OUR ESG MANAGEMENT (Continued)

Stakeholder Engagement and Materiality Assessment (Continued)

Materiality Assessment (Continued)

Based on the materiality assessment findings, we have identified five highly material topics, which are positioned in the top-right quadrant of the materiality matrix.

OUR ESG MANAGEMENT (Continued)

Stakeholder Engagement and Materiality Assessment (Continued)

Materiality Assessment (Continued)

Summary of Material ESG Issues by Key Focus area

Key Focus Areas	Material Issues
Environmental Stewardship	Air Emissions Energy Noise Effluents and Waste Water Materials Green Building Climate Change and Extreme Weather
People Wellbeing	Recruitment and Retention Occupational Safety and Health Training and Development Labour Standards Employee Engagement Diversity and Equal Opportunities Well-being Community Investment Stakeholder Engagement and Partnership
Operational Excellence	Supply Chain Management Green Procurement Industry Influence Innovative Technology Products and Services Quality Management Data Security
Ethics & Governance	Compliance Corporate Governance Anti-corruption Internal Grievance Mechanism Critical Incident Risk Responsiveness

ENVIRONMENTAL STEWARDSHIP

Climate Change

During the reporting period, the Group strengthened the climate-related disclosure capabilities around four pillars: Governance, Risk Management, Strategy, and Metrics and Targets, in alignment with HKEX reporting requirements. These ongoing efforts enhance our resilience to emerging climate risks and reinforce our foundation for meeting evolving disclosure standards and advancing sustainable business practices.

Climate-related Governance

The Group has integrated climate-related governance into its overall ESG governance framework to ensure climate considerations are systematically embedded in its core business strategy, resource allocation, and executive decision-making. For more details, please refer to the section titled "ESG Governance" on page 46.

Climate-related Risk Management

The Group has fully integrated climate-related risk and opportunities into our enterprise risk management framework. Climate-related topics are systematically identified, assessed, prioritised and monitored using the same methodology as other enterprise risks, and are treated as transversal risks due to their potential to impact multiple business functions and operations.

Our Risk Management Framework

1. Risk Identification

Identify risks and opportunities that may affect the Group's objectives, including ESG and climate-related factors.

2. Risk Assessment

Evaluate identified risks based on likelihood and severity, each scored on a 1–5 scale.

3. Risk Prioritisation

Develop a risk matrix to rank risks. High-priority risks are escalated for senior management review and action.

4. Risk Management

Apply control measures, monitor effectiveness, and update regularly. All risks and opportunities are documented in a Risk Register.

ENVIRONMENTAL STEWARDSHIP (Continued)

Climate Change (Continued)

Climate-related Risk Management (Continued)

To assess these risks and opportunities, the Group has established a dedicated climate risk assessment process and management mechanisms. During the reporting period, a materiality assessment of climate-related risks and opportunities was conducted for our Hong Kong operations. This involved internal engagement, industry research and peer benchmarking to identify relevant physical and transition risks, climate hazards, and potential opportunities.

Risks are prioritised using a 1-5 scoring matrix, based on likelihood and severity, aligned with the Group's risk and opportunity assessment framework. Impacts are considered across short-, medium- and long-term horizons, factoring in financial, operational, and reputational implications. This process is informed by engagement with our senior management and management staff.

Climate-related risks and opportunities are regularly reviewed and updated through the Group's risk and opportunity management processes. These are embedded in strategic planning and operational oversight to ensure climate considerations are integrated across functions. Control measures are monitored through regular reviews with assessments updated as needed.

The Group has not yet conducted climate scenario analysis during the reporting year. As part of its ongoing enhancement of climate risk management, the Group plans to incorporate scenario analysis into future assessments of climate-related risk and opportunities.

Climate-related Strategy

Climate-related Risks and Opportunities

Climate change presents both physical and transition challenges that may affect the Group's operations and long-term resilience. In response, the Group integrates climate-related considerations into our strategic planning to support business continuity and enhance competitiveness.

During the reporting period, the Group identified and assessed climate-related risks and opportunities that could potentially impact our cash flow, access to finance, and cost of capital across three time horizons: short-term (2025-2027), medium-term (2028-2030), and long-term (beyond 2030). These timeframes are aligned with the Group's overall strategic planning cycles.

The table below summarises the material physical and transition climate-related risks and opportunities relevant to our business. It also describes their potential impacts on our business model and value chain, along with the key measures implemented to manage or mitigate them effectively.

ENVIRONMENTAL STEWARDSHIP (Continued)

Climate Change (Continued)

Climate-related Strategy (Continued)

Climate-related Risks and Opportunities (Continued)

Summary Table of Climate-related Risks and Opportunities

Category	Risk/Opportunity	Time horizon	Effects on our business model and value chain	Mitigation actions (including but not limited to)
Physical Risk	Extreme Weather (e.g. typhoons, heavy rain, flooding, extreme heat)	Short to long term	Operational delays, site damage, supply chain disruption and safety risks	Strengthen weather protocols, emergency plans, and site risk assessments
Transition Risk	Policy and Regulatory Changes (e.g. carbon pricing, environmental regulations)	Short to long term	Higher compliance costs and exposure to emissions-related pricing	Monitor policy changes and enhance compliance systems
	Low-Carbon Transition (e.g. technology, material cost, market expectations)	Short to medium term	Increased costs, supply chain and integration issues, rising material prices	Assess low-carbon options, train staff, and align procurement with climate goals
	Reputation and Stakeholder Expectations	Short-term	Competitive disadvantage and limited access to projects opportunities if expectations are unmet	Enhance ESG disclosure and engage stakeholders actively
Opportunities	Energy and Resource Efficiency	Medium to long-term	Lower costs, reduced resource use, better environmental performance	Expand energy-saving tools and monitor usage
	Sustainable Infrastructure and Design (e.g. renewables, resilient design, green building demand)	Short to long term	Competitive edge and improved climate resilience	Promote low-carbon methods, integrate resilience planning, and use clean energy

ENVIRONMENTAL STEWARDSHIP (Continued)

Climate Change (Continued)

Climate-related Strategy (Continued)

Business Model and Value Chain

During the reporting period, we assessed the current effects of climate-related risks and opportunities on our business model and value chain. Based on this analysis, we concluded that the impacts remain insignificant at this stage as our existing mitigation and adaption measures have proven effective.

As we continue developing our capabilities to manage climate-related factors, we plan to conduct scenario analysis to assess potential future impacts and further enhance the resilience of our business model and value chain.

Strategy and Decision-making

The Group considers climate-related risks and opportunities in its strategic and operational planning. We currently integrate low-carbon and climate resilience considerations into project planning and operations.

Although the Group has not yet established a formal climate transition plan, our ongoing actions across operations, such as energy efficiency, low-carbon procurement, and climate risk adaptation, are laying the foundation for a future transition roadmap.

Efforts to achieve our climate-related environmental goals are detailed in Metrics and Targets section. Resource availability is monitored internally and is currently sufficient to support adaptation and mitigation. The Group has also established a Board-level ESG Committee responsible for reviewing ESG-related resources, training programmes, staff competencies, and recommending improvements to the Board.

Financial Position, Financial Performance and Cash Flows

The Group recognises the potential current and future financial implications of climate-related risks and opportunities.

- Current Financial Effect

  During the reporting period, the Group reviewed the financial effects of the climate-related issues identified above. Measures implemented to address extreme heat, including the provision of cooling shelters, industrial and portable fans, water mist systems, and cooling vests for site workers, were incorporated into our standard health and safety practices. These initiatives did not have a significant impact on the Group's financial position, performance, or cash flows.

  No significant adjustments to the carrying value of assets or liabilities are anticipated in the next reporting period as a result of the identified climate-related factors.

- Anticipated Financial Effect

  As the Group continues to strengthen our capabilities in managing climate-related risks and opportunities, we plan to conduct climate-related scenario analysis, to assess potential financial impacts over the short-, medium- and long-term. This will include: i) changes to our financial position by considering any future investment and disposal plans and planned sources of funding; and ii) changes to our financial performance and cash flows.

  We will continue to monitor market developments and evolving approaches for estimating anticipated financial effects and we aim to provide further details in future disclosures.

ENVIRONMENTAL STEWARDSHIP (Continued)

Climate Change (Continued)

Climate-related Strategy (Continued)

Climate Resilience

The Group recognises the importance of assessing the climate resilience of our business strategy and business model to climate-related changes, developments and uncertainties, by focusing on the climate-related risks and opportunities identified above.

Metrics and Targets

Greenhouse Gas Emissions

In 2025, the Group broadened our Scope 3 emission disclosures to include: Category 1 (Purchased Goods and Services), Category 2 (Capital Goods) and Category 5 (Waste Generated in Operations). These categories are among the most significant emissions sources in the construction sector.

We remains committed to minimising our carbon footprint across all stages of the value chain, including planning, design, execution, commissioning, operation, management, and maintenance. Our decarbonisation approach targets carbon reduction, energy efficiency, and material recycling, and we are continually reviewing and updating interim and long-term targets in alignment with our evolving business strategy.

For more information on environmental performance, please refer to the Performance Data Summary 2025 of this report.

Capital Deployment

The Group continued to allocate resources to initiatives responding to climate-related risks and opportunities during the reporting year. These included investment in electrified plant and equipment, battery energy storage systems, electric/hybrid vehicles and renewable energy equipment, as well as maintenance of solar panels and research and development on sustainable materials and clean energy. The related capital expenditure was not significant to the Group's financial position during the reporting period.

Resource Stewardship and Pollution Control

Environmental Policy

The Group's Environmental Policy serves as a framework for setting the Group's environmental objectives and is reviewed and updated periodically as part of our Environmental Management System ("EMS"). We are dedicated to delivering professional engineering services in compliance with applicable environmental laws and regulations, striving to minimise any nuisance to the public. In addition to providing information, training, and resources to support sustainable development, we require employees and subcontractors to manage their work in accordance with the Group's Environmental Policy and applicable environmental requirements.

To proactively manage potential environmental impacts arising from construction activities, we conduct an environmental aspects evaluation before project commencement and update it as the project progresses or when site conditions change. The evaluation considers key activities involved in delivering the works such as design development, procurement, transportation, and construction, assesses potential environmental risks and their significance, and identifies the control and mitigation measures needed to reduce and manage any remaining risk. These measures are incorporated into our work planning and on-site implementation, supported by routine inspections and monitoring.

Furthermore, the Group engages external auditors to conduct annual ISO audits, ensuring that construction activities comply with the environmental management system ISO 14001:2015.

ENVIRONMENTAL STEWARDSHIP (Continued)

Resource Stewardship and Pollution Control (Continued)

Project-Specific Environmental Management Plans (EMP)

Given the diverse nature of our projects, each project is required to develop a project-specific Environmental Management Plan ("EMP"). Overseen by the project management team, the EMP sets out the project's environmental management approach, including roles and responsibilities, applicable requirements, key environmental aspects and potential impacts (such as air quality, noise, and water quality), control procedures, monitoring and inspection arrangements, and reporting and follow-up actions.

To strengthen the environmental awareness among frontline staff, all relevant personnel attend induction training covering the Group's environmental targets and relevant legislation. Toolbox talks are also conducted regularly to reinforce good practices and site control procedures for different work activities. In addition, the environmental management team conducts weekly site inspections to ensure that the required environmental measures are in place and operating effectively. Where non-compliance is identified, corrective actions are implemented promptly and findings are reviewed in subsequent environmental management meetings to drive continual improvement.

Energy Management and Decarbonisation

The Group is committed to reducing our carbon footprint through continuous improvements in energy efficiency and the gradual adoption of low-carbon and renewable energy technologies. To support renewable energy use, we have installed solar panels at site offices and participated in CLP's Feed-in Tariff Scheme. We also deployed various renewable energy applications to support day-to-day site operations, including mosquito traps, warning lights, traffic signage, and automatic misting systems. These measures help reduce carbon emissions, improve energy efficiency and enhance site environmental performance.

In addition, the Group has progressively implemented smart Battery Energy Storage Systems ("BESS") across our projects to enhance energy efficiency and support site-level power management by balancing power supply and demand, supporting power stability, and facilitating integration of renewable energy. Where it replaces diesel-powered equipment, BESS contributes to quieter operations, improved air quality, and more sustainable site performance.

Efforts are also underway to transition from diesel-powered machinery to electric alternatives. This includes deploying electric vehicles (EVs) and electrified construction equipment, which help reduce direct emissions and contribute to lower-carbon operations where implemented.

In 2025, the Group introduced electric mining trucks to replace traditional diesel-powered models. These electric trucks eliminate point-of-use emissions, including carbon monoxide (CO), nitrogen oxides (NOx), particulate matter (PM), and hydrocarbons (HC). They also deliver higher energy efficiency due to improved energy conversion compared to internal combustion engines.

ENVIRONMENTAL STEWARDSHIP (Continued)

Resource Stewardship and Pollution Control (Continued)

Sustainable Use of Resources and Waste Management

Digital Solutions for Resource Efficiency in Construction

The Group promotes the efficient use of resources by integrating digital tools and best practices across the project life cycle.

Building Information Modelling ("BIM") is widely adopted to enhance design accuracy and reduce the need for rework or late-stage changes. This improves material estimates, minimises waste generation, and helps prevent construction delays.

We also set waste management targets and encourage active staff participation. The table below illustrates how our resources and waste management system is embedded throughout each project phase.

Project Cycle	Actions Taken
Design and Planning Stage	• Accurately estimate the construction material required by using software and detailed calculations. • Review original design provided by clients to identify opportunities for cost savings and alternative designs. • Identify sustainable disposal grounds for waste. • Maximise reuse of treated contaminated soil on-site.
Construction Stage	• Develop efficient and well-designed site layout and logistics plan and identify suitable storage area to minimize waste and prevent unnecessary disposal. • Establish on-site facilities for sorting and recycling general and construction wastes. • Prioritise the use of used or salvaged materials. • Utilise surplus materials where possible to minimise waste. • Transform excavated rock into aggregates for reuse. • Facilitate cross-site materials transfers to avoid unnecessary disposal. • Ensure proper handling and disposal of all chemical wastes throughout the storage, collection, transportation and disposal stages. • Incorporate environmentally certified materials, such as Forest Stewardship Council ("FSC") or American Forest & Paper Association ("AFPA") certified timber. • Provide regular training sessions for construction workers to promote awareness and adoption of sustainable practices.

To further reduce construction and demolition (C&D) waste and chemical waste, the Group has implemented a comprehensive waste management system focused on promoting recycling and reuse. At the Tung Chung New Town Extension project, an in-house Electronic Trip Ticket System ("ETTS") was developed to manage the internal transfer of excavated and fill materials, avoiding disposal to public fill banks or sorting facilities.

Replacing manual records, the cloud-based ETTS uses GPS, Artificial Intelligence ("AI") enabled cameras, vehicle recognition, and weighbridge data to track material movement in real time. This reduces paper use, manpower, and human error through automated and traceable workflows. A mobile app allows drivers to input trip details, upload photos, and monitor deliveries, improving coordination and transparency. The system also blocks unregistered vehicles to help prevent unauthorised dumping.

By digitising logistics and going paperless, ETTS improves operational efficiency and supports our sustainability goals. The system earned the Green Council's Innovative Initiative Award (Large Corporation) – Outstanding Impact.

ENVIRONMENTAL STEWARDSHIP (Continued)

Resource Stewardship and Pollution Control (Continued)

Sustainable Use of Resources and Waste Management (Continued)

Recycling and Reuse

The Group recognises effective waste management and circular economy principles as essential to our environmental stewardship. We promote recycling and reuse practices across both our office operations and construction activities to support responsible resource use and minimise waste generation.

Within our office operations, we actively encourage staff to participate in comprehensive recycling and reuse initiatives that extend product lifecycles. Our Information Technology ("IT") equipment recycling programme demonstrates this commitment. Items including toner and ink cartridges, computers and associated accessories are systematically recycled through established Computer and Communication Products Recycling Programmes, aligned with industry's best practices. Additionally, we amplify our positive environmental and social impact by donating functional IT equipment to accredited charitable organisations, which supports communities in need while reducing landfill waste.

Beyond office practices, the Group also implements extensive recycling and reuse measures at our construction sites. Recycling facilities are provided on-site to enable the segregation of construction waste, including plastics, metals, timbers and other materials, to facilitate proper recycling. Where feasible, excavated soil is reused through internal transfers for application in other projects, accounting for approximately 28% of the Group's total excavation volume. This approach reduces waste disposal, lowers demand for virgin materials, and enhances resource efficiency across projects.

These initiatives reflect the Group's holistic approach to circular resource management, which reinforces our commitment to sustainable business practices, environmental responsibility, and long-term value creation for future generations.

Chemical Waste Management

We have developed a comprehensive waste management plan that clearly outlines the classification, handling, and disposal processes for chemical waste to minimise its generation. Regular chemical training and drills are conducted for workers to enhance their awareness and operational skills. Additionally, designated storage areas have been established on-site, with regular inspections conducted to monitor the usage of chemicals. The collection of chemical waste is handled by licensed waste collectors, ensuring compliance with legal requirements.

Effluent and Water Management

The Group actively promotes the use of recycled water through collecting rainwater, treated greywater and wastewater. This recycled water is utilized for non-potable applications at construction sites, including dust suppression, wheel washing, irrigation, and toilet flushing.

To improve potable water efficiency, flow controllers have been installed on taps to reduce water consumption without affecting user functions.

In 2025, the Group recorded zero convictions under the Water Pollution Control Ordinance, indicating effective wastewater management and compliance with environmental regulations.

ENVIRONMENTAL STEWARDSHIP (Continued)

Resource Stewardship and Pollution Control (Continued)

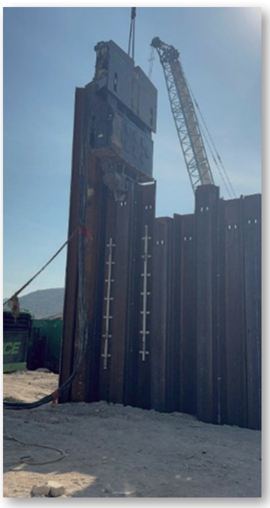
Air Quality Management

In 2025, the Group also recorded zero convictions under the Air Pollution Control Ordinance, meeting the internal target of fewer than five cases annually. This reflects the effectiveness of the Group's environmental management system.

To strengthen on-site air quality control, the Group has explored the use of AI-monitored automatic wheel-washing systems to reduce both dust emissions and water consumption. Such a system was deployed at the Tung Chung New Town Extension Project, where AI cameras detect soil buildup on vehicle wheels and activate high-pressure nozzles only when needed. The system uses recycled water from sedimentation tanks in a closed-loop cycle.

This setup helps minimise potable water use, reduces energy consumption, and lowers particulate matter emissions, while ensuring cleaner public roads. Where implemented, the system has delivered water savings and was not associated with any mud-related complaints.

Noise Management



The Group places strong emphasis on minimising construction noise impacts on surrounding communities. Advanced noise mitigation technologies and best practices are adopted to ensure regulatory compliance. In 2025, the Group recorded zero convictions under the Noise Control Ordinance, indicating effective noise control measures.

At the Tung Chung New Town Extension project, Magnetic Tuned Mass Dampers ("MTMD") were deployed to reduce noise and vibration from sheet piling near residential areas. Operating within a confined 1,500 m² site and within 20 metres of noise-sensitive receivers, on-site monitoring indicated that the adoption of MTMD achieved vibration reductions of 9–14 dB in the 630–1,250 Hz range and noise reductions of approximately 7 dB(A).

The MTMD system is lightweight, quick to install, and easy to operate, making it suitable for urban construction environments. The initiative was recognised by the Environmental Protection Department and continues to be used. This initiative also received the Innovative Initiative Award (Large Corporation) – Best Approach for its demonstrated environmental benefits.

ENVIRONMENTAL STEWARDSHIP (Continued)

Resource Stewardship and Pollution Control (Continued)

Sustainable Infrastructure

The Group is strongly committed to advancing green building technologies and integrating sustainable development practices across our operations. As part of our core sustainability strategy, we embed environmental considerations throughout the entire project lifecycle, from planning and design to construction and operation, to reduce carbon emissions, enhance resource efficiency, and improve occupant well-being.

Our projects have consistently achieved both local and international green building certifications, including BEAM Plus (Building Environmental Assessment Method), LEED (Leadership in Energy and Environmental Design), WELL Building Standard, and CGBL (China Green Building Label). These certifications reflect our continued commitment to delivering high-performance buildings that meet rigorous environmental, health, and sustainability standards. As of 2025, over 20 active projects are pursuing certification under BEAM Plus, LEED, WELL, and/or CGBL, further strengthening our green building portfolio.

In addition, more than 30 of our projects have participated in the Carbon Smart Construction Site Labelling Scheme, launched by the Hong Kong Construction Association ("HKCA") in 2025. This initiative promotes low-carbon site practices, and our active participation demonstrates our dedication to supporting industry-level climate action and carbon-conscious construction management.

PEOPLE WELLBEING

Better Prospects for Our People

Employment Practices

The Group strives to create a safe and healthy workplace, offer career prospects, support personal development and learning opportunities, and provide attractive incentives to retain our top talents, ensuring the sustainable growth of the Group.

We recognise human capital as one of our most important assets. Having an inclusive, engaged, and skilled workforce is essential to our success. By upholding fair employment practices and fostering professional development, we aim to create a work culture that motivates and empowers every employee to be innovative.

We respect the fundamental rights of our employees and are committed to building an equal, diverse, and inclusive working environment. We provide equal opportunities in all aspects of employment, regardless of gender, race, ethnic origin, marital status, education level, or disability. In 2025, there was no known report of discrimination by employees within the Group.

The Group complies with local employment legislation and prohibits child, forced, or compulsory labour in all our operations. These requirements are extended to our suppliers and subcontractors to ensure adherence to legal standards. Regular self-audits and ad-hoc assessments are conducted to review employment practices and address any control deficiencies. In 2025, no operations reported any instances of child or forced labour.

Furthermore, the Group respects employees' legal rights of privacy in compliance with the Personal Data (Privacy) Ordinance (Cap. 486) of the Laws of the Hong Kong Special Administrative Region when collecting, storing, using, and transmitting personal data. The Group also requires all staff to place continued emphasis on relevant standards of data security and confidentiality.

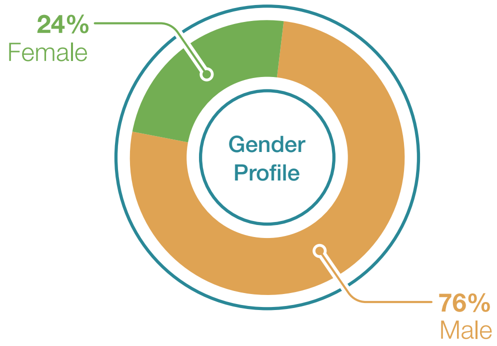
Employees Composition

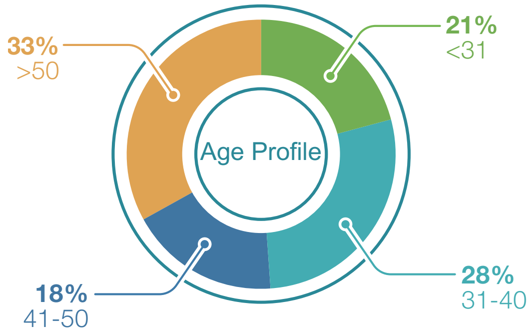
As of 31 December 2025, the total number of employees was 3,587, representing a decrease of approximately 5% compared to the previous year. Of the total workforce, the gender ratio was 24% female to 76% male.

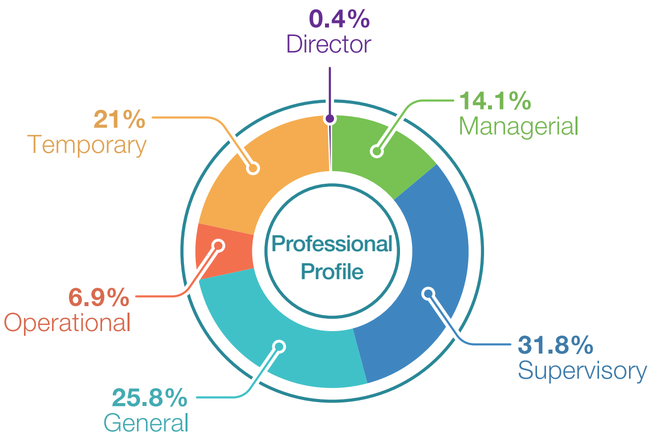
PEOPLE WELLBEING (Continued)

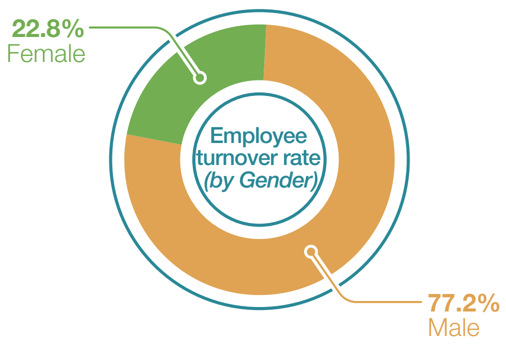
Better Prospects for Our People (Continued)

Employees Composition (Continued)









PEOPLE WELLBEING (Continued)

Better Prospects for Our People (Continued)

Employee Communication

The Group values our employees' views and maintains ongoing communication with them through various channels, including our intranet communication platform, regular departmental meetings, seminars, and workshops. We also enhanced our direct engagement efforts by conducting a series of site visits, provided a valuable platform for site office staff to share their feedback directly with the HR team, ensuring their voices are heard and acted upon, thereby strengthening communication and engagement across all levels of our operations.

We believe these channels help foster dialogues with our employees, enabling us to gather feedback and exchange views on the Group's initiatives and issues. Building on our ongoing commitment to staff engagement, a site visit for Head Office staff to the iconic United Christian Hospital project was organized by the HR department. This visit provided a firsthand look at the significant technical and operational challenges our teams overcame, fostering a deeper appreciation for their vital contributions. The experience served as a meaningful platform to strengthen communication and connection between head office and frontline operations.

Diversity and Equal Opportunities

Our workforce comprises talents from different nationalities with a diverse range of expertise and backgrounds. We embrace and value the diversity among our employees, bringing strengthened skill sets and innovative ideas. To support new overseas staff, we host a familiarisation session to help them transition smoothly into the company culture.

The Group is committed to fair employment practices and ensures equal opportunities in recruitment, promotion, and employee deployment. Decisions are based on employees' skills, abilities, and alignment with the job requirements, as well as the future developmental needs of our businesses. Our recruitment and workplace design processes consider accessibility to ensure we attract and retain talented individuals from all backgrounds. Our HR policies are designed to be fair and supportive, recognising the diverse needs of our employees across different life and family stages.

Well-being and Welfare

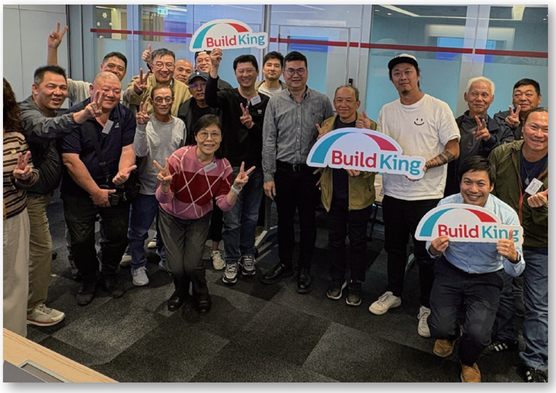
The Group prioritises the well-being of our employees and remains dedicated to providing a healthy and safe working environment. In 2025, the Group was once again awarded the Caring Company by the Hong Kong Council of Social Service, the Supportive Family-friendly Good Employer by Hong Kong Labour Department, and the Best All-round MPF Employer by the Mandatory Provident Fund Schemes Authority.

We are committed to continually improving employees' healthcare and welfare benefits. In 2025, the Group continued to provide group medical care benefits to all eligible staff and their eligible dependants, demonstrating our dedication to being a caring company.

PEOPLE WELLBEING (Continued)

Better Prospects for Our People (Continued)

Training and Development



The Group continues to nurture employees at all levels by providing opportunities to strengthen their job-related professional skills, as well as their managerial, supervisory, and personal development skills. To support this, the Group offers a broad range of in-house classroom and e-learning training programmes, as well as externally organised and sponsored training courses. The Group also provides Bachelor's and Master's Degree Education Sponsorship to encourage and foster a culture of lifelong and continuous learning.

A key training initiative launched in 2025 was the Site Supervisory Skills Training programme. This programme was designed to establish a clear understanding of the responsibilities, expectations, and challenges faced by site supervisors. It aims to cultivate the right mindset and professional attitude for on-site leadership and to enhance the interpersonal skills of our supervisory staff, empowering them to lead their teams more effectively. The training also provided opportunities for our Directors to have direct conversation with participants, understand their need, and give appropriate feedback. Other training sessions conducted during the year included topics on BIM, NEC4 ECC Project Manager Accreditation, and Anti-discrimination Laws.

The Group remains dedicated to developing young talent through structured and targeted programmes.

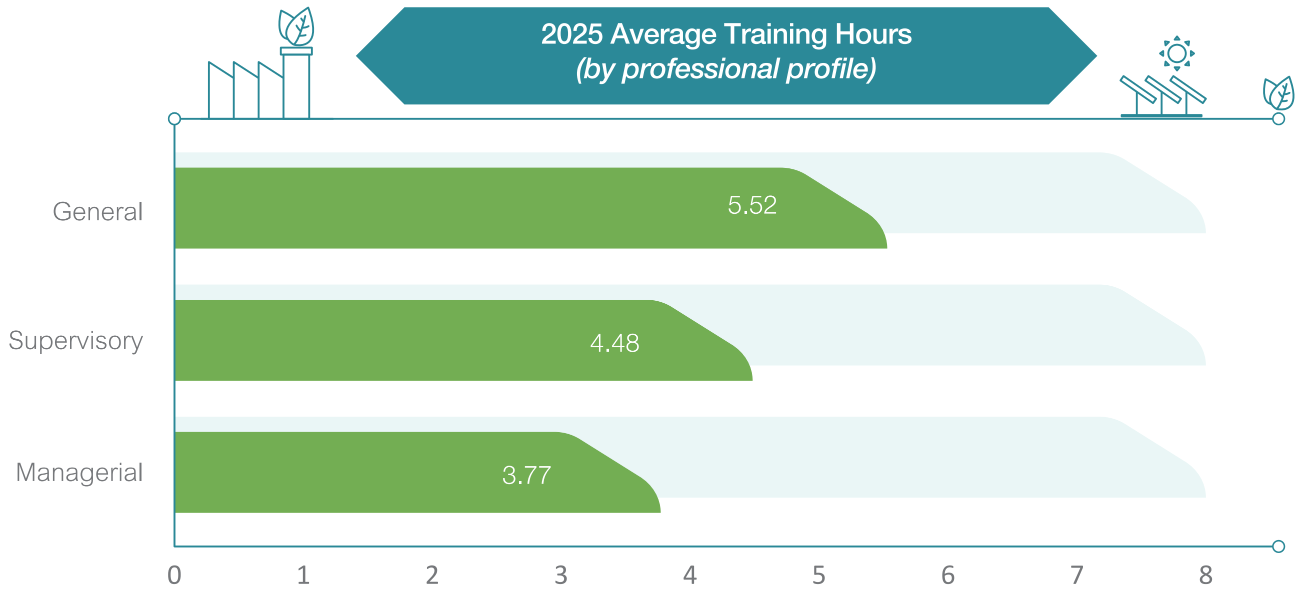
- Talent Development Programme: It aims to develop high-potential emerging management staff to become the Group's future leaders. The selected staff are guided and coached by responsible directors according to personalised career and development plans tailored to their growth ambitions and professional goals.
- Graduate Engineer Training Scheme: It is a key programme undertaken by the Group to grow and groom young engineers. The programme closely managed and guided to ensure it meets the Hong Kong Institute of Engineers' professional requirements, as well as providing our Graduate Engineers appropriate industry exposure and technical engineering experience. Various professional assessment preparation workshops are conducted to prepare our Graduate Engineers for chartership.
- Graduate Land Surveyor Programme: It provides a comprehensive and structured training framework to groom young land surveyors and equip them with the necessary skills and knowledge to obtain professional qualifications.

PEOPLE WELLBEING (Continued)

Better Prospects for Our People (Continued)

Training and Development (Continued)

- Graduate Quantity Surveying Programme: This three-year programme provides intensive on-the-job training, project rotations and classroom-based training. Mock interviews and presentations are also conducted to prepare trainees for the professional assessments of the Royal Institution of Chartered Surveyors/Hong Kong Institute of Surveyors.
- Apprenticeship Programme: This programme combines on-the-job training with classroom-based education and is registered under the Vocational Training Council ("VTC") or Construction Industry Council ("CIC") Apprenticeship Training Scheme. It covers a broad range of disciplines, including civil engineering, building, building services, quantity surveying, mechanical engineering, and air-conditioning.



PEOPLE WELLBEING (Continued)

Occupational Health and Safety

Safety and Health Policy

Safety and health considerations are always the top priority of our operation, taking precedence over all other matters. Our Safety and Health Policy sets out the principles, responsibilities and requirements for managing safety and health risks across all operations. Recognising the inherent risks in our daily activities, we are committed to maintaining a robust Safety Management System ("SMS") and providing a healthy and safe working environment for employees, subcontractors, clients, the public, and other stakeholders who may be affected by our operations.

The Group ensures a safe and healthy working by maintaining good housekeeping, providing appropriate safety equipment, implementing protective measures, offering welfare facilities, and delivering relevant information, instruction, training, and supervision. Safety and health awareness is reinforced through induction, regular communication and engagement, training, and consultations with employees and subcontractors.

To oversee the implementation and review of SMS measures and related policies, the Group has established a Safety Management Committee comprising top management and project-in-charges. Relevant responsibilities and authorities are delegated from the committee to all staff according to their roles and functions.

As part of our SMS, we apply a risk-based approach to our operational activities to identify hazards, assess risks and implement controls, in line with applicable laws and regulations. Project teams carry out task-specific risk assessments before work commences and continuously review and update them throughout the works to reflect prevailing site situation and revise them promptly when work methods, or scope change, so that suitable controls remain effective and are implemented as planned.

In 2025, the accident frequency rate was 0.05 per 100,000 man-hours worked, compared to the target rate of 0.21, and the total lost days due to work injuries were 2,579. The Group had one fatal accident in 2023 for the past three years.

Control Mechanisms

The Group implements and maintains safety control mechanisms to monitor and manage the risks associated with site work involving employees and subcontractors. In addition to the routine site safety inspections conducted by site safety personnel, we implement corporate-level safety inspection programmes to promote consistency and continual improvement across projects. Our Cross Site Safety & Environmental Assessment, carried out by Senior Safety & Environment Officers, provides a platform for sharing good practices and innovative safety measures. It also supports knowledge exchange among Safety & Environment Officers and Assistant Safety & Environment Officers, strengthening capability across the Group.

PEOPLE WELLBEING (Continued)

Occupational Health and Safety (Continued)

Safety Culture with Innovation

Safety has long been a core value of the Group, deeply embedded across all levels of our operations. In 2025, we strengthened this commitment by introducing smart technology to modernise how safety is managed on-site. As part of this effort, we launched an in-house mobile application: "Build Safe", featuring an AI-powered "Build Safe Smart Safety" AI chatbot. This integrated solution is designed to enhance safety performance, accountability, and awareness on-site.

Build Safe App

- Empowers site personnel to actively participate in safety management through real-time reporting and a performance-based rewards system.
- Allows users to log both commendable behaviours and safety violations by workers and supervisors.
- Awards points for completing approved safety training or tasks. Points can be redeemed for gifts at a designated physical rewards counter.
- Enforces accountability through point deductions for non-compliance. For example, relevant parties who accumulate 15 demerit points are required to self-enrol in CIC's Frontline Worker Safety Performance Improvement Course and submit proof of completion to resume site duties.
- Shares relevant safety performance records with CIC Frontline Personnel Safety Performance Record Programme to support aligned performance tracking and reinforce shared responsibility.

Build Safe Smart Safety Chatbot

- Provides AI-powered, instant access to safety information and regulatory guidance.
- Delivers up-to-date information on Labour Department regulations, site safety guidelines, and operational procedures.
- Improves accessibility of safety knowledge, supporting a stronger safety mindset and reinforcing a culture of "safety-first" thinking.
- Actively promoted across all sites to modernise traditional practices and drive a proactive, innovation-led safety culture.

PEOPLE WELLBEING (Continued)

Occupational Health and Safety (Continued)

Smart Site Safety System

Effective planning begins with a comprehensive understanding of on-site conditions. Recognising this, the Group continues to implement the Smart Site Safety System ("SSSS"), a data-driven solution that not only monitors site activities in real time but also analyses collected safety data to support the development of site-specific safety strategies.

The Group has successfully deployed all 10 core categories of SSSS technologies across our construction sites, covering both public and private contracts. This full-scale implementation reflects our commitment to leveraging smart technology to drive proactive safety management.

The system offers 24/7 real-time monitoring of major work zones. Data from sensors and smart devices is continuously synchronised with a centralised management platform, providing stakeholders with constant visibility into site conditions. When safety risks or potential hazards are detected, immediate alerts are sent to on-site personnel, prompting timely corrective action.

Beyond real-time alerts, the platform enables project teams to analyse historical and live data to gain deeper insights into site-specific risk patterns. This informed understanding allows them to develop targeted safety plans that effectively address the unique challenges of each project, enhancing overall site safety and operational efficiency.

PEOPLE WELLBEING (Continued)

Caring for Our Community

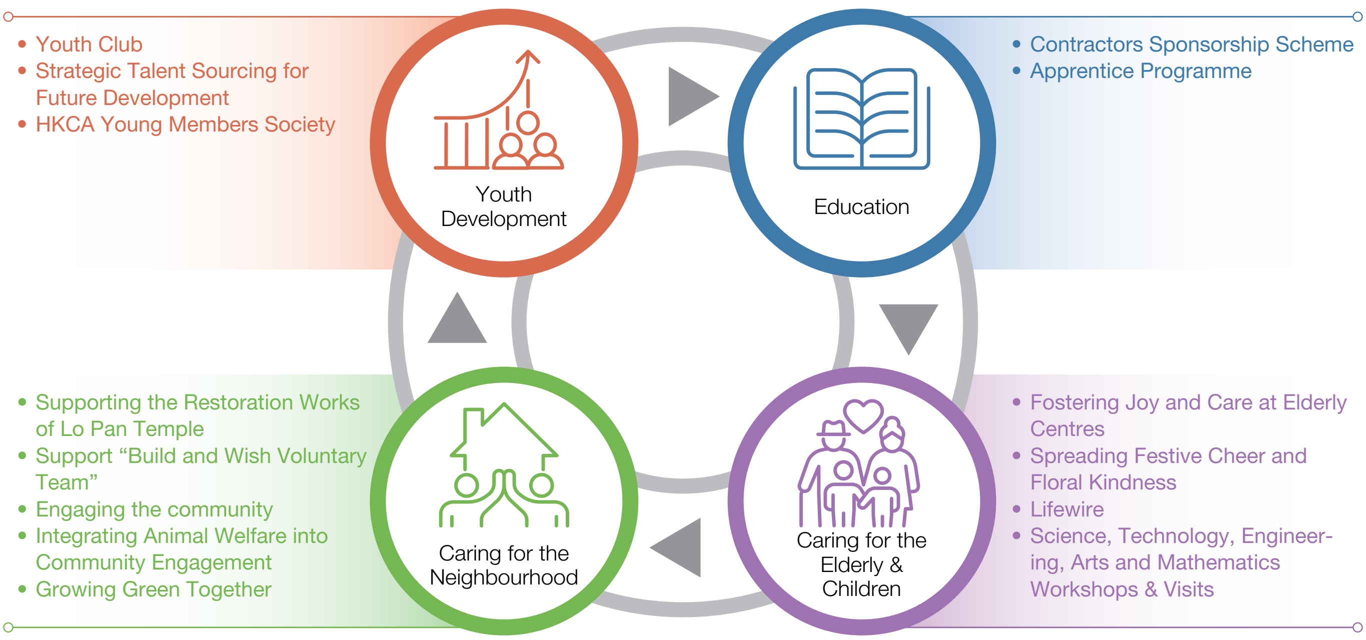
As a socially responsible and environmentally committed business organisation, we integrate sustainable development principles into our business practices, safeguarding the environment while maintaining corporate profitability. We actively give back to society and support people in need, fulfilling our role as a responsible corporate citizen.

Social Responsibility Policy

The Group is firmly committed to upholding integrity and taking responsibility for our stakeholders and local communities. By actively engaging in and contributing to Hong Kong's infrastructure development, we ensure that our business adheres to the highest ethical and legal standards. We strive to foster a culture of volunteerism, encouraging our staff to embrace the spirit of caring and underscoring the importance of the individual's contributions in building a harmonious and inclusive society.

We collaborate closely with local communities, dedicating resources to charitable initiatives and educational programmes. Our efforts focus on four key areas:

- Youth Development
- Education
- Caring for the Elderly and Children
- Caring for the Neighbourhood



PEOPLE WELLBEING (Continued)

Caring for Our Community (Continued)

Youth Development

Youth Club

Since 2016, our Youth Club has provided young engineers a platform for diverse experience sharing and learning. In 2025, the committee organised various activities including a visit to Hilti experience center, a recurve archery trial, live action role play and a fishing and BBQ outing. These events fostered team spirit, broadened perspectives, and supported the holistic growth of our next generation of engineering talent.

Strategic Talent Sourcing for Future Development

To effectively identify and nurture talents, we actively engage with various communities and educational institutions through a diverse range of outreach programmes. In 2025, we organised and participated in a wide range of engagement activities, including job fairs, career talks, and talent luncheons to reach out and appeal to a broad audience. We also collaborated with universities and Vocational and Professional Education and Training ("VPET") institutions to promote the pursuit of careers in the construction sector through insights into industry trends and employer expectations.

In delivering our commitment to promoting diversity and inclusion, we extend our talent sourcing and reach out to non-local job seekers and ethnic minorities to attract skilled professionals who bring fresh perspectives and unique expertise to our projects.

These initiatives form components of a strong pipeline of skilled professionals who are prepared to contribute meaningfully to the construction industry. By investing in the search for young talent today, we are creating a diverse, dynamic and resilient workforce for the sustainable future.

HKCA Young Members Society

We remain committed to nurturing young talent in the construction industry through our continued sponsorship and active involvement with the HKCA Young Members Society ("YMS"). In 2025, young engineers from the Group were encouraged to participate in YMS-led activities, including networking sessions, technical site visits, and recruitment events. These experiences helped them connect with peers, engage with industry professionals, and gain hands-on exposure to support their personal and career development.

PEOPLE WELLBEING (Continued)

Caring for Our Community (Continued)

Education

Contractors Sponsorship Scheme

This year, we continued our partnership with the Hong Kong Institute of Construction ("HKIC") to sponsor this scheme. In addition to the monthly sponsorship, applicants were invited to participate in a 3-month site internship programme. The purpose of the scheme is to create a supportive environment for developing young talent capable of addressing the manpower challenges in the construction sector and to attract more young professionals to join our organisation.

Apprentice Programme

Our Group continued its collaboration with HKIC and VTC in offering the Apprentice Programme, a hands-on training programme by Build King aimed at developing a skilled workforce with high quality workmanship. Apprentices work closely with our skilled trades professionals, gaining practical experience while receiving formal education in their chosen trade. Through these partnerships, we remain committed to nurturing young talent, contributing to the future of the construction industry.

Caring for the Elderly & Children

Fostering Joy and Care at Elderly Centres

Building on our long-standing commitment to elderly care, the Group further strengthened its partnerships with various Elderly Centres in 2025, expanding our outreach through a range of engaging and educational activities tailored to the needs and interests of senior participants. These programmes were thoughtfully designed to enhance quality of life through meaningful interaction, wellness promotion, and lifelong learning.

New initiatives included traditional Chinese medicine workshops, where participants crafted their own herbal massage hammers, combining hands-on creativity with health education. We also organised social game sessions, such as Rummikub, to support cognitive stimulation and encourage social engagement.

Beyond centre-based activities, we arranged a variety of enriching outings, from watching a movie and a fun-filled day at Ocean Park, to an educational visit to the Marine Police Headquarters, where seniors learned practical tips on fraud prevention. These experiences brought not only joy and companionship, but also opportunities for personal enrichment and a continued passion for discovery and connection.

PEOPLE WELLBEING (Continued)

Caring for Our Community (Continued)

Caring for the Elderly & Children (Continued)

Spreading Festive Cheer and Floral Kindness

Throughout 2025, we extended our warmth and care to the elderly through heartfelt home visits, offering not only companionship but also meaningful connection. Upholding our commitment to seasonal traditions, we shared festive joy by distributing Lunar New Year blessing bags, celebrating Tuen Ng Festival with the communal sharing of rice dumplings, sharing mooncakes to celebrate the Mid-Autumn Festival, and delivering gift boxes at Christmas. These initiatives reinforced our ongoing support and brought comfort, joy, and a sense of belonging to our senior community.

In the spring, following the Hong Kong Flower Show 2025, we brought the beauty of blooms into the heart of the community, delivering vibrant flowers to local kindergartens and elderly centres across New Territories West. The smiles shared during these moments reminded us that even the simplest acts of kindness and thoughtfulness can foster connection and brighten lives.

Lifewire

In 2025, the Group continued its sponsorship of Lifewire, a charitable organisation dedicated to supporting children with rare diseases. Through our ongoing contribution, we strive to improve the lives of children facing serious medical challenges while raising public awareness of rare diseases. We believe that sustained support for such important causes not only brings hope to families in need, but also creates a positive impact on the community and helps foster a more compassionate society.

Science, Technology, Engineering, Arts and Mathematics ("STEAM") Workshops & Visits

In 2025, we continued to inspire the next generation by promoting engineering careers through a series of interactive STEAM workshops and site visits. Students from various local schools, from kindergarten to secondary school took part in immersive experience that bridge classroom learning with real-world engineering applications.

The programmes featured hands-on DIY activities, visits to our project sites and Community Liaison Centres, as well as virtual reality simulations showcasing safety scenarios and smart construction site technologies. Students also received first-hand career insights from our engineers, offering a view of opportunities in the industry.

To enhance educational impact, we integrated key concepts of sustainability and green practices, encouraging students to understand the value of environmental stewardship and to adopt a mindset focused on responsible and sustainable development.

PEOPLE WELLBEING (Continued)

Caring for Our Community (Continued)

Caring for the Neighborhood

Supporting the Restoration Works of Lo Pan Temple

In 2025, the Group continued to support the restoration of Lo Pan Temple and a fundraising event organized by the Hong Kong Lo Pan Kwong Yuet Tong. This work aims to help preserve Lo Pan Temple, a designated Grade 1 historic site and Hong Kong's only temple dedicated to Lo Pan, reflecting our ongoing commitment to safeguarding cultural heritage.

Support "Build and Wish Voluntary Team"

The "Build and Wish Voluntary Team" is a non-profit charitable organisation composed of dedicated volunteers committed to serving disadvantaged communities. In 2025, the Group continuously supported the organisation with donation and sponsor their Homeless Night Food Distribution Programme. We plan to continue this collaboration to assist individuals in need in the coming year.

Engaging the community

In 2025, we strengthened our connection with the community through a variety of meaningful and heartfelt activities, from distributing Lo Pan rice meals and running interactive booths at local carnivals, to hosting community movie gatherings and volunteering to assist those in need with relocation. Each initiative shared a common goal: to spread care and positive energy through genuine, everyday actions.

PEOPLE WELLBEING (Continued)

Caring for Our Community (Continued)

Integrating Animal Welfare into Community Engagement

We take meaningful action to meet the diverse needs of our community, extending our care to both people and animals. In 2025, we rescued stray dogs found near our project sites and facilitated their rehoming at the Little Paws Centre, where we also repaired kennel facilities to improve their living conditions.

In another effort to support animal welfare, we donated benches from Morse Park to a dog shelter in Tai Po, enhancing the comfort of the shelter's environment. Each of these initiatives reflects our belief that supporting animal well-being is deeply connected to building a compassionate and inclusive community.

Growing Green Together

We bring green living to our community through practical and purposeful actions. We painted eco-friendly planters to brighten common neighbourhood spaces, organised recycling drives for items such as red packets, safety helmets, plastic bottles, and mooncake tins, and participated in green-themed carnivals with interactive booths to promote sustainable living through fun and engagement.

Beyond this, we extended our care to nature, joining clean-up activities in Shui Hau, Lantau, and the mangrove forest, contributing to the protection of local ecosystems and a greener future for all.

PEOPLE WELLBEING (Continued)

Caring for Our Community (Continued)

Building a Caring Culture Through Community Partnership

In 2025, our commitment to community care and volunteerism was recognised through several industry and government awards, reflecting our continued efforts to promote social well-being and uphold corporate responsibility.

In recognition of our ongoing efforts to foster a caring culture, the Group received the Caring Company Award 2024/25 from the Hong Kong Council of Social Service, marking the 11th consecutive year of receiving this honour.

Under the Construction Industry Volunteer Award Scheme 2025, jointly presented by the Construction Industry Council and the Construction Industry Sports & Volunteering Programme (“CISVP”), we received the 2024 Annual CISVP Corporate Award for Activeness – Entrepreneur Group 2 (Merit Award), the Silver Award for Excellence in Volunteering Collaboration, and the Bronze Award for Excellence in Volunteering Project. These recognitions highlight our dedication to fostering employee engagement and building strong, collaborative relationships with the community.

We also received the Social Capital Builder Logo Award from the Home and Youth Affairs Bureau, the 卓越社區合作夥伴獎 from the New Territories Association of Societies (“NTAS”), and multiple commendations under the Hong Kong Volunteer Award 2025, co-presented by the Home and Youth Affairs Bureau and the Agency for Volunteer Service, including being named among the Top 10 Corporates for Volunteer Hours andreceiving the Corporate Volunteer Hours (Bronze Award). Collectively, these honours reaffirm our belief that social responsibility is a shared journey that brings together our employees, partners, and communities to build a more caring, inclusive, and resilient society.

OPERATIONAL EXCELLENCE

Products and Services Quality Control

Quality Management

The Group has established an Integrated Management System, further details of which can be found in the section titled "Quality Assurance, Safety and Environmental Management" on pages 39 to 42.

Under this system, all our employees and subcontractors are required to adhere to the policies and procedures specified in the Management Manual, Company Procedures, and associated standing instructions, while carrying out their work.

To ensure the system's effective implementation, we conduct regular internal audits, with quality assurance personnel actively engaged in our major projects. In addition, external audits are conducted periodically by accredited third parties to verify compliance with international standards and to drive continuous improvement across our operations.

Research and Development

Our ongoing commitment to innovation and sustainability drives our research and development in construction materials, sustainable building methods, and alternative energy solutions.

Through collaboration with leading research institutions and the development of an internal innovation team, we continue to explore environmentally responsible material alternatives that aim to reduce reliance on traditional resources and lower carbon emissions. In parallel, we are investigating new construction methodologies that promote the reuse of industrial by-products, contributing to waste reduction and environmental stewardship.

Where appropriate, we pursue opportunities to commercialise our innovations, through patent applications or by integrating research outcomes into tenders and project delivery. These efforts align sustainability-driven innovation with long-term business value.

Technology & Digital Transformation

Innovative Technology

The Group is committed to advancing our sustainability objectives through innovative technology adoption. We strategically allocate resources to support initiatives that utilise licensed or tailor-made devices and systems, designed to reduce operational impact while enhancing site safety and productivity. Our technology investments directly support our governance framework and demonstrate responsible stewardship of resources.

Across our diverse project portfolio, we deploy industry-recognised innovative equipment, with selected solutions developed in-house to meet project-specific environmental and safety requirements. These enhancements reflect our commitment to continuously improving ESG performance and creating long-term value for stakeholders.

OPERATIONAL EXCELLENCE (Continued)

Technology & Digital Transformation (Continued)

Information Security

The Group's Information Security Policy and Rules and Regulations form a comprehensive governance framework for handling, protecting and stewarding personal data and confidential information. Our approach aligns with global best practices and underscores our commitment to social responsibility through ethical and transparent data management.

We implement comprehensive electronic and managerial safeguards to protect personal data, including advanced encryption protocols for sensitive information. Our compliance framework extends across Hong Kong's Personal Data (Privacy) Ordinance and all relevant jurisdictional regulations, reflecting our commitment to ethical business practices across all Group operations.

The Group demonstrates unwavering dedication to data privacy protection and prevention of unauthorised access through rigorous physical security measures, industry-leading cybersecurity technology deployment, endpoint protection systems, and continuous data backup protocols. These measures ensure data integrity, maintain stakeholder trust, and reinforce our governance standards across all IT operations.

Digital Transformation Initiatives

The Group is committed to digital transformation as a core pillar of our ESG strategy, driving operational efficiency while reducing our environmental footprint. Our digital initiatives are designed to minimise resource consumption, enhance workforce collaboration, and create sustainable value across all business units.

We have strategically adopted innovative digital solutions that significantly reduce paper consumption and automate workflows, directly contribute to our environmental objectives. Advanced information technologies have been deployed across the organisation to enable seamless digital operations and support our broader sustainability agenda.

As part of our forward-looking governance commitment, we are progressively upgrading our hardware and software infrastructure to further optimise automation, streamline resource utilisation, and enhance operational resilience. These investments not only improve profitability and maintain our competitive advantage but also reflect our responsibility to operate sustainably and minimise unnecessary resource depletion.

HR System Enhancement

As part of our commitment to sustainability and responsible governance, the Group initiated the enhancement of our HR system through digital transformation. This initiative aims to improve operational efficiency, reduce carbon emission, and optimise resource allocation, enabling us to reskill our workforce for more value-added tasks. By aligning our HR practices with ESG principles, the Group enhances our capacity to address industry challenges and promote sustainable development. This commitment was further strengthened in 2025 with the implementation of a new digital recruitment system. This all-in-one platform has replaced our previous paper-based approach, significantly reduced paper consumption and waste, while improving operational efficiency, transparency, and stakeholder collaboration in our talent acquisition process.

Artificial Intelligence Integration

As part of our ongoing technology & digital transformation journey, the Group is exploring the use of AI to enhance work efficiency, automate workflows, and support data-driven decision-making. We are assessing AI-driven solutions across various operational areas with the aim of reducing manual processes, improving resource utilisation, and enabling smarter project planning. While these initiatives are still developing, we see AI as a promising tool that may gradually enhance our operations and support more sustainable, efficient practices over time.

OPERATIONAL EXCELLENCE (Continued)

Responsible Supply Chain

We recognise that effectively managing our suppliers and subcontractors is crucial to the growth and ongoing success of our business. To consistently deliver excellent projects for our clients, we diligently monitor our supply chain, focusing on timing, quality, and progress of works and services provided by our partners.

The Group's supply chain network consists of approximately 3,500 active suppliers and subcontractors, principally based in Hong Kong. Our close collaboration with them significantly impacts our sustainability performance.

In view of this, we have introduced our Sustainability Policy to suppliers and subcontractors through the conditions outlined in our contract documents. We require strict adherence to the policy and guidelines. Subcontractors and suppliers are evaluated every six months, and any non-compliance will result in disqualification and removal from the selection list.

Selection Criteria

Our goal is to build a responsible and sustainable supply chain, which helps reduce risks for the Group and our clients. Clear procedures and standing instructions are in place for selecting suppliers and subcontractorss. Before any purchasing or sub-letting process, performance assessments are conducted on potential suppliers and subcontractors based on assessment criteria including, but not limited to assurance of stable supply, quality of service and product, and cost. We give priority to working with suppliers and subcontractors who meet our high standards of ethical conduct, human rights, health and safety, environmental management, and green procurement.

Management Approach

To cater to the unique requirements of different projects, each project is required to develop a Subcontractor Management Plan that outlines strategies and measures for managing subcontractors.

We ensure that our suppliers and subcontractors are well-informed and have a good understanding of our core values and comply with our ESG governance policies, as well as relevant standards such as the ISO 9001:2015 Quality Management System. We provide technical assistance and supervision to suppliers and subcontractors to maintain quality assurance and educate them on anti-corruption practices. Additionally, we encourage feedback from our suppliers and subcontractors to better understand their needs and incorporate their input when formulating future policies.

ETHICS & GOVERNANCE

Anti-Corruption

At Build King, we take anti-corruption and the prevention of bribery seriously, treating these issues as a long-term commitment to our sustainability and governance objectives. The Group strictly complies with all relevant laws and regulations regarding anticorruption and remains committed to upholding the highest standards of integrity, professionalism and transparency.

The Code of Conduct, along with the Whistle-blowing Policy, is in place to ensure all employees understand and adhere to the Group's ethical and governance requirements. In 2025, we organised regular seminars on integrity and corruption prevention for directors and employees. We believe that these measures form a robust system to mitigate risks related to corruption across all our operations. In 2025, no confirmed incidents of corruption involving the Group or its employees were identified.

Whistleblowing

The Group upholds the highest standards of integrity and governance. To support this, a whistleblowing policy and a confidential reporting mechanism are in place which provide employees with a secure channel to raise good-faith concerns regarding unethical and other improper conduct. Any report is handled with utmost seriousness and confidentiality, with independent follow-up by top management to ensure fair and thorough resolution while safeguarding those who come forward. This reflects our commitment to a transparent and accountable culture.

Internal Grievance

To maintain a harmonious and harassment-free environment, the Group encourages employees to report or lodge complaints under the Group's grievance mechanism. A Chairman's mailbox has been set up on the intranet so that employees can directly raise grievances in writing to the Chairman. Valid complaint will be properly followed up and investigated by the Internal Audit team, and the findings will be reported to the Chairman and the Audit Committee. This mechanism allows employees to file grievances, express opinions, and raise concerns about the Group's governance. It ensures that all valid grievances, opinions, and concerns are addressed appropriately and in a timely manner.

Critical Incident Risk Responsiveness

The Group maintains a proactive and structured approach to managing risks associated with critical incidents with potential impacts on our operations, workforce, or reputation.

A dedicated team of senior managers from the Business Department, the Safety & Environmental Department, and other operational departments has been established to manage, control, and mitigate risks associated with critical incidents. This team operates under clear procedures and guidelines to ensure timely and effective responses.

In addition, the Group engages external professionals as needed to provide independent advice and technical support, further enhancing our responsiveness, preparedness, and business continuity planning.

ESG PRACTICES HIGHLIGHTS

The Group's commitment to embedding ESG principles across our operations continues to guide how we plan, design, and deliver our services. Through close collaboration with partners and stakeholders, we actively explore and implement sustainable technologies that address current construction needs while supporting long-term climate resilience.

In 2025, we remained focused on adopting practical, low-carbon, and digital solutions to enhance environmental performance, improve safety, and create long-term value for the community. The following highlights showcase our continued efforts to reduce carbon emissions, improve resource efficiency, minimise site impacts, and contribute to a safer, more sustainable built environment.

Smart Prefabricated Bridge Component Transportation

As part of the Tung Chung Interchange Project, an innovative off-site construction method was adopted to install two large bridge decks over the busy North Lantau Highway, a key route connecting traffic to and from the Hong Kong International Airport. Each deck, measuring over 40 metres long and weighing up to 1,200 tonnes, was prefabricated at a nearby casting yard and transported using Self-Propelled Modular Transporters ("SPMT").

Unlike traditional in-situ bridge construction, which often requires prolonged road closures and poses great safety and logistical challenges, the off-site method significantly reduced the duration and complexity of works carried out over live traffic. This approach enhanced construction safety and quality, improved programme certainty, and minimised disruption to one of Hong Kong's busiest road corridors. With full highway closures arranged during night-time hours and traffic diverted to adjacent slip roads, both decks were delivered and installed over four nights with minimal impact on road users and airport-bound traffic.

Digital technologies played a vital role in the planning and execution. BIM, Digital Twin tools, and Virtual Geographic Environment (VGE) modelling supported early simulations of construction scenarios and transport routes. Real-time monitoring systems, including GPS, LiDAR, AI powered cameras, and laser alignment tools, ensured precision during transportation and installation. A centralised control hub coordinated live tracking of component movements and road conditions, supporting safe navigation through tight curves and limited clearances.

Following completion of the new a bridges, the same SPMT method was used to remove the existing bridge decks, which were transported back to the casting yard for demolition. The entire process was completed safely and efficiently, with minimal disruption to traffic or the surrounding area.

ESG PRACTICES HIGHLIGHTS (Continued)

Recycled Plastic Paving Mats to Reduce Site Impacts

The Central Kowloon Route - Yau Ma Tei West project initiated the use of paving mats made from recycled High-Density Polyethylene (HDPE) at the site entrances and along haul roads to help reduce environmental impact.

These lightweight, portable mats were manually installed as a sustainable alternative to traditional materials such as concrete slabs and metal decking. Their use helps minimise dust, muddy water, and traffic noise generated by plant and vehicle movements, particularly in high-traffic areas. Designed with anti-slip surfaces and integrated connectors, the mats also allow for quick and secure installation.

This initiative improved site cleanliness and safety while supporting waste reduction through the reuse of recycled plastic materials.

Smart Over-Height Vehicle Detection System to Enhancing Road Safety

To enhance road safety and temporary works above live carriageways, the Central Kowloon Route - Yau Ma Tei West project developed and implemented an innovative Smart Over-Height Vehicle Detection System ("Smart OVDS"). This system integrates AI, LiDAR, and 5G technology to detect over-height vehicles in real time and help prevent collisions with overhead temporary structures.

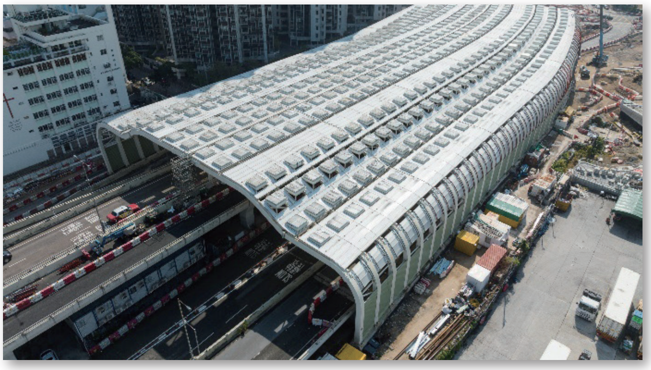
When an over-height vehicle is detected, the system issues a warning within three seconds displaying the vehicle's registration number. Visual and audio alerts are triggered to prompt the driver to stop. If ignored, a sacrificial portal frame installed before the temporary works serves as a final safeguard to absorb impact. A nearby lay-by area allows drivers to safely adjust any over-height materials before rejoining the route.

Since its implementation two years ago, the Smart OVDS has successfully prevented over 20 potential traffic accidents, with no report of any injuries, structural damage, or false alarms. The system has also demonstrated high reliability, including the successfully activated evacuation procedures when required. Built using standard proprietary components, the Smart OVDS is cost-effective and easy to maintain. Its modular and reusable design allows key components to be easily relocated and redeployed at other sites.

In recognition of its innovation and impact, the Smart OVDS was awarded the Innovative Organization Excellence Award (Large Organizations) at the Hong Kong Management Association/Hong Kong Telecom Global Innovation Awards.

ESG PRACTICES HIGHLIGHTS (Continued)

Modular Construction and BIM for Sustainable Delivery



As part of the Central Kowloon Route - Yau Ma Tei East project, the PMMA Panel Modular Construction method was adopted for the New Full Noise Enclosure roof and wall system, located above the heavily trafficked Ferry Street and Gascoigne Road flyovers. This complex location posed significant challenges for traditional in-situ construction, which typically requires longer durations and extensive night works.

To address these challenges, a modular construction approach supported by detailed BIM-based design was implemented. This enabled accurate planning for both off-site fabrication and on-site installation, resolving key technical aspects such as fixing methods, logistics, and installation sequencing. As a result, PMMA panels were accurately prefabricated off-site and efficiently installed on-site with minimal time need for adjustments.

The integration of modular construction and digital design led to a more streamlined installation process, achieving over 40% reduction in night-time installation activities, reduced material waste, enhanced safety and construction quality, and minimal disruption to the public. These benefits were especially valuable in a dense urban setting like Yau Ma Tei. The efficiency of the modular approach also helped accelerate follow-on works, contributing to improved overall project delivery.

3D Printing Pilot for Low-Carbon Construction

We joined a pilot to 3D-print canopy support columns for a temporary carpark roof at the Tung Chung Project site office. The columns were printed off-site using a low-carbon concrete mix incorporating Calcium Sulphoaluminate cement, Ground Granulated Blast-furnace Slag (GGBS), and recycled glass powder. This formwork-free method reduced material waste, labour, and on-site construction time.

The four columns featured a twisting design and were printed in less than two hours. Additives in the mix ensured smooth extrusion and rapid strength development to maintain structural integrity, with steel reinforcement installed on-site afterward.

Compared to traditional methods requiring 21 days, the 3D-printed approach completed the same scope in just 10 days. While limited in scale, the pilot demonstrated the potential of digital fabrication and low-carbon materials to support more sustainable, efficient, and visually refined construction practices.

ESG PRACTICES HIGHLIGHTS (Continued)

Low-Carbon and Climate-Resilient Solutions in Site Office

As part of the Tsing Yi Road West project, we supported the establishment of a site office constructed using Modular Integrated Construction ("MiC") units and facilitated the adoption of two pilot technologies featuring low-carbon and climate resilience attributes.

The first pilot used Lightweight Concrete ("LWC") for the MiC floor slab. Developed by a local academic institution, the LWC mix replaces traditional aggregates with lightweight materials, reducing overall weight while maintaining structural performance. This enables easier handling during construction and help reduce transport-related emissions. Real-time monitoring results indicated performance similar to standard concrete.

The second pilot featured a passive rooftop system using reflective ceramic tiles to reduce heat absorption without relying on electricity. According to post-installation testing, the system lowered indoor ceiling temperatures by an average of 2.47°C, with a maximum recorded drop of 4.03°C under typical summer conditions. The system requires minimal maintenance and offers a potential solution for improving thermal comfort in temporary site facilities.

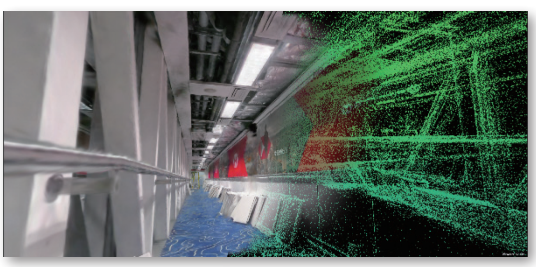
Both pilot technologies reflect our support for implementing low-carbon and climate-adaptive solutions on site, through coordination with project stakeholders.

Digital Transformation for Sustainable Construction and Smart Administration

Use of Technology for Sustainable Construction

Our commitment to ESG excellence goes hand-in-hand with the integration of innovative technologies that enhance the sustainability, safety, and efficiency of our construction practices. By adopting advanced digital tools such as Virtual Reality ("VR"), Laser Scanning, Unmanned Aircraft Systems (UAS), and 3D Printing, we are transforming traditional construction methods into smarter, greener, and more collaborative processes.

VR and BIM play a central role in our digital transformation journey. Immersive BIM environments and first-person walkthroughs allow clients and project teams to visualise designs before construction begins, improving accuracy, reducing rework, and enhancing safety through virtual training and clash detection. These tools also strengthen both client communication and internal coordination.

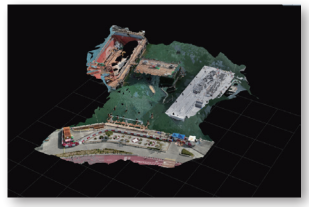


Laser scanning further supports precision and transparency. With high-resolution LiDAR scanners, we can capture accurate 3D data of site conditions in minutes. This enables rapid assessments, detailed, textured models, and reliable as-built records, which are essential for design coordination, planning, and long-term asset management. For example, in our Airport project, laser scanning helped cut surveying efforts by around half by capturing real-time site conditions, streamlining coordination and reducing potential discrepancies.

ESG PRACTICES HIGHLIGHTS (Continued)

Digital Transformation for Sustainable Construction and Smart Administration (Continued)

Use of Technology for Sustainable Construction (Continued)



Drone technology also enhances site monitoring and assessment. Using photogrammetry, drones safely capture real-time progress, producing accurate 3D models that support better decision-making throughout planning and construction.

In terms of design innovation and stakeholder communication, 3D printing has become an indispensable tool. By producing physical models directly from BIM data, we improve collaboration, enable rapid prototyping, and support quick design adjustments. In our Tuen Mun Swimming Pool project, which adopted the Multi-trade integrated Mechanical, Electrical and Plumbing ("MiMEP") approach, 3D-printed mini models helped bridge the gap between design and execution, improving visualisation, coordination, and maintenance planning.

Smarter Administration Through Technology

We apply digital innovation to back-office operations to enhance efficiency, accuracy, and data security. In our HR department, we have implemented an AI-powered Optical Character Recognition ("OCR") and workflow system to automate the masking of sensitive information in outgoing documents. A task that previously required significant manual effort is now completed in minutes, improving speed, accuracy, and compliance.

Looking ahead, we are expanding this platform to extract key data from incoming letters and circulation forms using AI agents. This enhancement of improved document traceability and workflow management will further streamline processing, reduce errors, and integrate seamlessly with our Common Data Environment ("CDE").

PERFORMANCE DATA SUMMARY 2025

		2025	2024
Environment[1]	***Energy Consumption***		
	Electricity (kWh)	**21,579,614**	24,417,899
	Petrol (litres)	**445,434**	427,894
	Diesel (litres)[2]	**7,840,530**	14,562,948
	Types of Emissions		
	NOx emissions (g)	**4,905,564**	4,727,875
	PM emissions (g)	**347,312**	338,401
	SOx emissions (g)[3]	**11,733**	11,288
	Greenhouse Gases (GHGs) Emissions		
	Total emissions (tCO_2e)	**301,996**	49,551
	Scope I (tCO_2e)[2]	**21,607**	39,232
	Scope II (tCO_2e) (location-based)	**8,301**	9,428
	Scope III (tCO_2e)[4]	**272,088**	892
	- Category 1: Purchased Goods and Services	**262,582**	/
	- Category 2: Capital Goods	**975**	/
	- Category 5: Waste Generated in Operations	**8,531**	/
	Water Consumption		
	Water (m^3)	**1,012,347**	968,736
	Waste		
	Hazardous waste (tonnes)	**187**	73
	Non-hazardous waste (tonnes)	**768,355**	512,688
	Paper		
	Paper Consumption (tonnes)	**104**	123
	Paper Recycled (tonnes)	**35**	26
	Intensity		
	Hazardous waste (tonnes/million HKD)	**0.01**	0.01
	Non-hazardous waste (tonnes/million HKD)	**56**	36
	Energy consumption (MWh/million HKD)	**7.9**	12.8
	Water consumption (m^3/million HKD)	**73.1**	67.4
	Greenhouse Gases Emissions (tCO_2e/million HKD)	**21.8**	3.5

Notes:

1 The Group previously used an operational approach to consolidate environmental data. Starting in 2025, the Group adopted the equity share approach for its joint-venture projects when disclosing environmental data, to better reflect its proportionate share of the associates of environmental impacts. As a result of the methodology change, the 2025 data are not directly comparable with those of prior years.

2 Diesel consumption from subcontractors' activities, which was previously included in the Group's energy consumption and Scope I emissions, has been reclassified as Scope III emissions this year. Therefore, both diesel consumption and Scope I emissions decreased in 2025.

3 Due to updates in the calculation methodology, the SOx emissions data in 2024 has been restated for improved accuracy.

4 Scope III GHG emissions are calculated in accordance with the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). The increase in 2025 reflects an updated calculation method and a broader scope boundary.

PERFORMANCE DATA SUMMARY 2025 (Continued)

		2025	2024
Social[5]	***Total Workforce***		
	By Age		
	<31	**743**	845
	31–40	**1,008**	1,002
	41–50	**644**	750
	>50	**1,192**	1,187
	By Gender		
	Male	**2,739**	2,909
	Female	**848**	875
	By Professional Profile		
	Director	**15**	16
	Managerial	**505**	488
	Supervisory	**1,141**	1,266
	General	**925**	820
	Operational	**755**	952
	Temporary	**246**	242
	By Employment Type		
	Full time	**3,585**	3,782
	Part time	**2**	2
	By Region		
	Hong Kong	**3,197**	3,456
	Mainland China	**381**	319
	The Philippines	**9**	9
	Employee Turnover		
	By Age		
	<31	**228**	201
	31–40	**196**	163
	41–50	**126**	95
	>50	**304**	137
	By Gender		
	Male	**659**	455
	Female	**195**	141
	By Region		
	Hong Kong	**733**	487
	Mainland China	**118**	107
	The Philippines	**3**	2

Notes:

5 Statistical data of employee numbers and turnover covering the entire Group.

PERFORMANCE DATA SUMMARY 2025 (Continued)

		2025	2024
Social	***Occupational Health and Safety***		
	Work-related injuries	**18**	28
	Accident Frequency Rate (per 100,000 man-hours)	**0.05**	0.08
	Accident Frequency Rate (per 1,000 workers)	**1.75**	2.84
	Training and Development[6]		
	Average Training Hours	**4.62**	6.56
	Percentage of Employees Trained		
	By Gender		
	Male	**37%**	37%
	Female	**34%**	31%
	By Professional Profile		
	Managerial	**41%**	37%
	Supervisory	**33%**	27%
	General	**40%**	41%
	Average Training Hours Completed per Employee		
	By Gender		
	Male	**4.73**	6.80
	Female	**4.23**	5.83
	By Professional Profile		
	Managerial	**3.77**	5.18
	Supervisory	**4.48**	4.77
	General	**5.52**	9.60

Notes:

6 The percentage of employees trained and the average training hours completed per employee exclude routine on-site sessions, such as safety and environmental toolbox talks, from the reported figures.

CONTENT INDEX

HKEX ESG Reporting Code Content Index

"Comply or explain" Provisions		
KPIs	**HKEX ESG Reporting Code Requirements**	**Section and Remarks**
A. Environmental		
Aspect A1	**Emissions**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	ENVIRONMENTAL STEWARDSHIP – Resource Stewardship & Pollution Control
KPI A1.1	The types of emissions and respective emissions data.	PERFORMANCE DATA SUMMARY 2025
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	PERFORMANCE DATA SUMMARY 2025
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	PERFORMANCE DATA SUMMARY 2025
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	ENVIRONMENTAL STEWARDSHIP – Climate Change – Metrics and Targets ENVIRONMENTAL STEWARDSHIP – Resource Stewardship & Pollution Control
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	ENVIRONMENTAL STEWARDSHIP – Resource Stewardship & Pollution Control

CONTENT INDEX (Continued)

"Comply or explain" Provisions KPIs	HKEX ESG Reporting Code Requirements	Section and Remarks
A. Environmental		
Aspects A2	**Use of Resources**	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	ENVIRONMENTAL STEWARDSHIP – Resource Stewardship & Pollution Control
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	PERFORMANCE DATA SUMMARY 2025
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	PERFORMANCE DATA SUMMARY 2025
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	ENVIRONMENTAL STEWARDSHIP – Climate Change – Metrics and Targets ENVIRONMENTAL STEWARDSHIP – Resource Stewardship & Pollution Control – Energy Management and Decarbonisation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	ENVIRONMENTAL STEWARDSHIP – Resource Stewardship & Pollution Control – Effluent and Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
Aspect A3	**The Environment and Natural Resources**	
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	ENVIRONMENTAL STEWARDSHIP – Resource Stewardship & Pollution Control
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ENVIRONMENTAL STEWARDSHIP – Resource Stewardship & Pollution Control

CONTENT INDEX (Continued)

"Comply or explain" Provisions KPIs	HKEX ESG Reporting Code Requirements	Section and Remarks
B. Social Employment and Labour Practices		
Aspect B1	**Employment**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	PEOPLE WELLBEING
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	PERFORMANCE DATA SUMMARY 2025
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	PERFORMANCE DATA SUMMARY 2025
Aspect B2:	**Health and Safety**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	PEOPLE WELLBEING – Occupational Health and Safety - Safety and Health Policy
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	PEOPLE WELLBEING – Occupational Health and Safety - Safety and Health Policy
KPI B2.2	Lost days due to work injury.	PEOPLE WELLBEING – Occupational Health and Safety - Safety and Health Policy
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	PEOPLE WELLBEING – Occupational Health and Safety
Aspect B3	**Development and Training**	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	PEOPLE WELLBEING – Better Prospects for Our People – Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	PERFORMANCE DATA SUMMARY 2025
KPI B3.2	The average training hours completed per employee by gender and employee category.	PERFORMANCE DATA SUMMARY 2025

CONTENT INDEX (Continued)

“Comply or explain” Provisions KPIs	HKEX ESG Reporting Code Requirements	Section and Remarks
B. Social **Employment and Labour Practices**		
Aspect B4	**Labour Standards**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	PEOPLE WELLBEING – Better Prospects for Our People – Employment Practices
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	PEOPLE WELLBEING – Better Prospects for Our People – Employment Practices
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	PEOPLE WELLBEING – Better Prospects for Our People – Employment Practices
Operating Practices		
Aspect B5	**Supply Chain Management**	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	OPERATIONAL EXCELLENCE – Responsible Supply Chain
KPI B5.1	Number of suppliers by geographical region.	OPERATIONAL EXCELLENCE – Responsible Supply Chain
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	OPERATIONAL EXCELLENCE – Responsible Supply Chain – Supplier Engagement & Collaboration
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	OPERATIONAL EXCELLENCE – Responsible Supply Chain – Selection Criteria
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	OPERATIONAL EXCELLENCE – Responsible Supply Chain – Management Approach

CONTENT INDEX (Continued)

"Comply or explain" Provisions KPIs	HKEX ESG Reporting Code Requirements	Section and Remarks
B. Social		
Operating Practices		
Aspect B6	**Product Responsibility**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	OPERATIONAL EXCELLENCE – Products and Services Quality Control
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable. Immaterial amount of products sold or shipped subject to recalls under management.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Not applicable. Immaterial amount of products and service related complaints received under management.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not applicable. Intellectual property rights are immaterial to the Group.
KPI B6.4	Description of quality assurance process and recall procedures.	OPERATIONAL EXCELLENCE – Products and Services Quality Control
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	OPERATIONAL EXCELLENCE – Technology & Digital Transformation – Information Security

CONTENT INDEX (Continued)

“Comply or explain” Provisions		
KPIs	**HKEX ESG Reporting Code Requirements**	**Section and Remarks**
B. Social **Operating Practices**		
Aspect B7	**Anti-corruption**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	ETHICS & GOVERNANCE – Anti-Corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	ETHICS & GOVERNANCE – Anti-Corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	ETHICS & GOVERNANCE – Whistleblowing
KPI B7.3	Description of anti-corruption training provided to directors and staff.	ETHICS & GOVERNANCE – Anti-Corruption
Community		
Aspect B8	**Community Investment**	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests.	PEOPLE WELLBEING – Caring for Our Community – Social Responsibility Policy
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	PEOPLE WELLBEING – Caring for Our Community – Youth Development PEOPLE WELLBEING – Caring for Our Community – Education PEOPLE WELLBEING – Caring for Our Community – Caring for the Elderly & Children PEOPLE WELLBEING – Caring for Our Community – Caring for the Neighbourhood
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	

CONTENT INDEX (Continued)

Climate-related Disclosures HKEX ESG Reporting Code Requirements	Section and Remarks
(I) Governance	
19. An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	OUR ESG MANAGEMENT – ESG Governance ENVIRONMENTAL STEWARDSHIP – Climate Change – Climate-related Governance

CONTENT INDEX (Continued)

Climate-related Disclosures HKEX ESG Reporting Code Requirements	Section and Remarks
(II) Strategy **Climate-related risks and opportunities**	
20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	ENVIRONMENTAL STEWARDSHIP – Climate Change – Climate-related Strategy
Business model and value chain	
21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	ENVIRONMENTAL STEWARDSHIP – Climate Change – Climate-related Strategy

CONTENT INDEX (Continued)

Climate-related Disclosures HKEX ESG Reporting Code Requirements	Section and Remarks
(II) Strategy **Strategy and decision-making**	
22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	ENVIRONMENTAL STEWARDSHIP – Climate Change – Climate-related Strategy The Group has not yet developed a climate-related transition plan or quantitative climate-related targets.
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	ENVIRONMENTAL STEWARDSHIP – Climate Change – Climate-related Strategy

CONTENT INDEX (Continued)

Climate-related Disclosures HKEX ESG Reporting Code Requirements	Section and Remarks
Financial position, financial performance and cash flows **Current financial effect**	
24. An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	ENVIRONMENTAL STEWARDSHIP – Climate Change – Climate - related Strategy
Anticipated financial effect	
25. The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	ENVIRONMENTAL STEWARDSHIP – Climate Change – Climate – related Strategy

CONTENT INDEX (Continued)

Climate-related Disclosures HKEX ESG Reporting Code Requirements	Section and Remarks
Financial position, financial performance and cash flows **Elimate resilience**	
26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; (b) how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	ENVIRONMENTAL STEWARDSHIP – Climate Change – Climate-related Strategy The Group has not yet conducted scenario analysis during the reporting year. As the next step, we are planning to incorporate scenario analysis into future assessments of climate-related risk and opportunities.

CONTENT INDEX (Continued)

Climate-related Disclosures HKEX ESG Reporting Code Requirements	Section and Remarks
(III) Risk Management	
27. An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	ENVIRONMENTAL STEWARDSHIP – Climate Change – Climate-related Risk Management

CONTENT INDEX (Continued)

Climate-related Disclosures HKEX ESG Reporting Code Requirements	Section and Remarks
(IV) Metrics and Targets **Greenhouse gas emissions**	
28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	PERFORMANCE DATA SUMMARY 2025
29. An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Our methodology for calculating GHG emissions is in accordance with the Greenhouse Gas Protocol. The Group has adopted equity share approach to measure our greenhouse gas emissions. Please refer to the footnotes under "Performance Data Summary 2025" for details.

CONTENT INDEX (Continued)

Climate-related Disclosures HKEX ESG Reporting Code Requirements	Section and Remarks
(IV) Metrics and Targets **Climate-related transition risks**	
30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	The Group has identified climate-related transition risks during the reporting year, including policy and regulatory changes, low-carbon transition, and reputation and stakeholder expectations. However, based on the Group's current mitigation measures and assessment results, no assets or business activities have been identified as being significantly affected by transition risks. The Group will continue to monitor these risks and will disclose relevant quantitative data in future reports where appropriate.
Climate-related physical risks	
31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	The Group has identified extreme weather events as the key climate-related physical risk during the reporting year. However, based on the Group's current mitigation measures and assessment results, no assets or business activities have been identified as being significantly affected by physical risks. The Group will continue to monitor these risks and will disclose relevant quantitative data in future reports where appropriate.
Climate-related opportunities	
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	The Group has identified climate-related opportunities during the reporting year, including improving resource efficiency through energy-saving technologies and promoting sustainable infrastructure and design. The Group has also implemented relevant initiatives in its operations, and these opportunities are expected to generate additional benefits for the business. The Group will continue to assess these opportunities and will disclose relevant quantitative data in future reports where appropriate.

CONTENT INDEX (Continued)

Climate-related Disclosures HKEX ESG Reporting Code Requirements	Section and Remarks
(IV) Metrics and Targets **Capital deployment**	
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	ENVIRONMENTAL STEWARDSHIP – Climate Change – Metrics and Targets
Internal carbon prices	
34. An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Currently, the Group has not yet applied internal carbon prices.
Remuneration	
35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Currently, the Group has not yet linked the remuneration policy with climate-related issues, and we will explore the potential for adoption in the coming years.

CONTENT INDEX (Continued)

Climate-related Disclosures HKEX ESG Reporting Code Requirements	Section and Remarks
(IV) Metrics and Targets **Climate-related targets**	
37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	The Group will explore the potential for setting quantitative climate-related targets in the coming years.
38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	The Group will explore the potential for setting quantitative climate-related targets in the coming years.
39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	The Group will explore the potential for setting quantitative climate-related targets in the coming years.

CONTENT INDEX (Continued)

Climate-related Disclosures HKEX ESG Reporting Code Requirements	Section and Remarks
(IV) Metrics and Targets **Climate-related targets**	
40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	The Group will explore the potential for setting quantitative climate-related targets in the coming years.

Deloitte. 德勤

TO THE SHAREHOLDERS OF BUILD KING HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Build King Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 110 to 194, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code") as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

TO THE SHAREHOLDERS OF BUILD KING HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition from construction contracts	
We identified the revenue recognition from construction contracts as a key audit matter due to the significance of the amount to the consolidated financial statements as a whole and estimation uncertainty involved. As disclosed in note 4 to the consolidated financial statements, management estimates the contract sum and budgeted costs at the commencement of the construction contracts and regularly assesses the progress of construction works as well as the financial impact of scope changes, claims, disputes and liquidation damages. The management recognises revenue on the basis of direct measurement of the value of construction work transferred to the customer to date. Management regularly reviews and revises the estimation of contract sum for each construction contract, the contract progresses and certifications issued by the independent quantity surveyors. As disclosed in note 5 to the consolidated financial statements, the revenue recognised from construction contracts in Hong Kong was HK$13,601,982,000, which represents 98% of total revenue of the Group.	Our procedures in relation to the recognition of the revenue from construction contracts included: • Obtaining an understanding on relevant internal controls in place over the revenue recognition from construction contracts; • Interviewing the project managers for the progress of construction contracts, on a selection of samples; • Comparing the revenue recognised with the certifications issued by independent quantity surveyors and reviewing supporting documents for any reconciling items, on a selection of samples; and • Assessing management's estimates in contract value with reference to the supporting evidence such as contracts with customers and other correspondences, on a selection of samples.

TO THE SHAREHOLDERS OF BUILD KING HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

TO THE SHAREHOLDERS OF BUILD KING HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

TO THE SHAREHOLDERS OF BUILD KING HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Li Man Kei (practising certificate number: P04412).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
26 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

	NOTES	2025 HK$'000	2024 HK$'000
Revenue from services	5	**13,842,704**	14,368,536
Cost of sales		**(12,802,065)**	(13,212,399)
Gross profit		**1,040,639**	1,156,137
Investments and other income	7	**64,448**	52,741
Net (decrease) increase in fair value of financial assets at fair value through profit or loss ("FVTPL")		**(26,543)**	3,728
Administrative expenses		**(550,573)**	(594,558)
Other losses	8	**–**	(57,198)
Finance costs	9	**(6,168)**	(16,491)
Share of results of joint ventures		**(2,184)**	(48,297)
Share of results of associates		**3,402**	615
Profit before tax	10	**523,021**	496,677
Income tax expense	13	**(73,101)**	(67,652)
Profit for the year		**449,920**	429,025
Profit (loss) for the year attributable to:			
Owners of the Company		**452,732**	433,996
Non-controlling interests		**(2,812)**	(4,971)
		449,920	429,025
		HK cents	HK cents
Earnings per share	15		
– Basic		**36.5**	34.9

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	2025 HK$'000	2024 HK$'000
Profit for the year	**449,920**	429,025
Other comprehensive income (expense)		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**8,326**	(12,864)
Total comprehensive income for the year	**458,246**	416,161
Total comprehensive income (expense) attributable to:		
Owners of the Company	**459,742**	422,364
Non-controlling interests	**(1,496)**	(6,203)
	458,246	416,161

Consolidated Statement of Financial Position

At 31 December 2025

	NOTES	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment	16	**471,795**	458,806
Right-of-use assets	17	**41,426**	55,858
Intangible assets	18	**200,455**	216,839
Goodwill	19	**30,554**	30,554
Interests in joint ventures	21	**4,160**	6,030
Interests in associates	22	**38,835**	35,430
Financial assets at FVTPL	27	**328,559**	328,559
		1,115,784	1,132,076
Current assets			
Inventories	23	**146,212**	136,199
Debtors, deposits and prepayments	24	**799,094**	992,400
Contract assets	25	**3,536,438**	4,020,830
Amounts due from fellow subsidiaries	26	**3,564**	3,193
Amount due from a joint venture	26	**545**	312
Amounts due from associates	26	**15,024**	62,989
Amounts due from other partners of joint operations	26	**59,528**	46,284
Financial assets at FVTPL	27	**72,841**	460,162
Tax recoverable		**4,175**	8,270
Pledged bank deposits	28	**90,251**	80,507
Time deposits with original maturity of not less than three months	28	**557**	1,343
Bank balances and cash	28	**2,586,879**	1,530,568
		7,315,108	7,343,057
Current liabilities			
Creditors and accrued charges	29	**3,866,719**	4,574,475
Contract liabilities	30	**1,377,000**	966,170
Lease liabilities	31	**23,178**	29,685
Amount due to an intermediate holding company	32	**21,620**	20,748
Amounts due to fellow subsidiaries	32	**2,440**	5,572
Amounts due to other partners of joint operations	32	**9,020**	3,855
Amounts due to non-controlling interests	32	**1,098**	1,098
Amount due to an associate	33	**25,749**	24,317
Tax payable		**79,904**	55,664
Bank loans - due within one year	34	**88,344**	75,696
		5,495,072	5,757,280
Net current assets		**1,820,036**	1,585,777
Total assets less current liabilities		**2,935,820**	2,717,853

Consolidated Statement of Financial Position

At 31 December 2025

	NOTES	**2025 HK$'000**	2024 HK$'000
Capital and reserves			
Ordinary share capital	35	**124,188**	124,188
Reserves		**2,797,354**	2,538,040
Equity attributable to owners of the Company		**2,921,542**	2,662,228
Non-controlling interests		**(10,882)**	12,780
Total equity		**2,910,660**	2,675,008
Non-current liabilities			
Deferred tax liabilities	36	**5,750**	8,665
Obligations in excess of interests in joint ventures	21	**767**	453
Obligations in excess of interests in associates	22	**9,393**	13,410
Amount due to an associate	33	**—**	671
Lease liabilities	31	**9,250**	19,646
		25,160	42,845
		2,935,820	2,717,853

The consolidated financial statements on pages 110 to 194 were approved and authorised for issue by the Board of Directors on 26 March 2026 and are signed on its behalf by:

Zen Wei Peu, Derek
Chairman

Chan Chi Ming
Executive Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company									
	Ordinary share capital HK$'000	Share premium HK$'000	Translation reserve HK$'000	Other reserve HK$'000 (Note a)	Special reserve HK$'000 (Note b)	Asset revaluation reserve HK$'000	Retained profits HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2024	124,188	14,186	(9,451)	(35,313)	(63,141)	4,290	2,341,711	2,376,470	25,758	2,402,228
Profit (loss) for the year	–	–	–	–	–	–	433,996	433,996	(4,971)	429,025
Exchange differences arising on translation of foreign operations	–	–	(11,632)	–	–	–	–	(11,632)	(1,232)	(12,864)
Total comprehensive (expense) income for the year	–	–	(11,632)	–	–	–	433,996	422,364	(6,203)	416,161
Disposal of a subsidiary	–	–	–	–	–	–	–	–	(6,775)	(6,775)
Dividend paid	–	–	–	–	–	–	(136,606)	(136,606)	–	(136,606)
At 31 December 2024	**124,188**	**14,186**	**(21,083)**	**(35,313)**	**(63,141)**	**4,290**	**2,639,101**	**2,662,228**	**12,780**	**2,675,008**
Profit (loss) for the year	**–**	**–**	**–**	**–**	**–**	**–**	**452,732**	**452,732**	**(2,812)**	**449,920**
Exchange differences arising on translation of foreign operations	**–**	**–**	**7,010**	**–**	**–**	**–**	**–**	**7,010**	**1,316**	**8,326**
Total comprehensive income (expense) for the year	**–**	**–**	**7,010**	**–**	**–**	**–**	**452,732**	**459,742**	**(1,496)**	**458,246**
Acquisition of additional interest in a subsidiary (Note 45)	**–**	**–**	**–**	**16,901**	**–**	**–**	**–**	**16,901**	**(22,166)**	**(5,265)**
Dividend paid	**–**	**–**	**–**	**–**	**–**	**–**	**(217,329)**	**(217,329)**	**–**	**(217,329)**
At 31 December 2025	**124,188**	**14,186**	**(14,073)**	**(18,412)**	**(63,141)**	**4,290**	**2,874,504**	**2,921,542**	**(10,882)**	**2,910,660**

Notes:

a. The other reserve represents (i) the excess of the consideration paid over the additional interests in net assets of respective acquired subsidiaries; and (ii) the capital contribution paid on behalf of the non-controlling interest.

b. The special reserve represents adjustment in share capital on the reverse acquisition of the Company in 2004.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 HK$'000	2024 HK$'000
Operating activities		
Profit before tax	**523,021**	496,677
Adjustments for:		
Finance costs	**6,168**	16,491
Amortisation of intangible assets	**24,135**	58,692
Depreciation of property, plant and equipment	**74,087**	63,700
Depreciation of right-of-use assets	**27,559**	31,352
Share of results of joint ventures	**2,184**	48,297
Share of results of associates	**(3,402)**	(615)
Gain on disposal of property, plant and equipment	**(141)**	(4,326)
Net decrease (increase) in fair value of financial assets at FVTPL	**26,543**	(3,728)
Dividends from financial assets at FVTPL	**(228)**	(173)
Net gain arising on lease modification	**(203)**	—
Gain on disposal of an associate	**(4,020)**	—
Interest on financial assets at FVTPL	**(290)**	(811)
Interest on bank deposits	**(21,382)**	(14,186)
Interest on other receivables	**(288)**	(1,447)
Interest on other financial asset at amortised cost	**—**	(676)
Interest on loan to an associate	**—**	(61)
Gain on disposal of a subsidiary	**—**	(16,960)
Remeasurement gain of interest in joint operations	**—**	(4,760)
Written down to net realisable value of inventory	**—**	37,489
Impairment loss on other receivables	**—**	13,018
Impairment loss on interest in a joint venture	**—**	6,691
Operating cash flows before movements in working capital	**653,743**	724,664
Increase in inventories	**(14,181)**	(56,814)
Decrease in debtors, deposits and prepayments	**61,145**	28,381
Decrease (increase) in contract assets	**484,392**	(283,311)
(Increase) decrease in financial assets at FVTPL	**(38,777)**	5,116
Decrease in creditors and accrued charges	**(690,649)**	(41,210)
Increase in contract liabilities	**410,830**	366,660
Increase in amounts due from fellow subsidiaries	**(371)**	(1,261)
(Decrease) increase in amounts due to fellow subsidiaries	**(3,132)**	5,202
Increase in amounts due from other partners of joint operations	**(13,244)**	(11,743)
Increase (decrease) in amounts due to other partners of joint operations	**5,165**	(28,690)
Decrease in other financial asset at amortised cost	**—**	3,036
Cash generated from operations	**854,921**	710,030
Dividends from financial assets at FVTPL	**228**	173
Income taxes paid	**(47,681)**	(205,697)
Interest on financial assets at FVTPL received	**290**	811
Interest on bank deposits received	**21,382**	14,186
Interest on loans to an associate received	**—**	61
Interest on other financial asset at amortised cost received	**—**	676
Net cash from operating activities	**829,140**	520,240

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 HK$'000	2024 HK$'000
Investing activities		
Purchases of property, plant and equipment	**(69,631)**	(99,519)
Placement of time deposits	**(557)**	(765)
Repayments from (advances to) associates	**47,965**	(23)
Proceeds from disposal of property, plant and equipment	**1,455**	10,039
Withdrawal of time deposits	**1,372**	35,100
Net cash inflow (outflow) arising on disposal of a subsidiary	**132,449**	(67,751)
(Advances to) repayments from a joint venture	**(214)**	317
Placement of pledged bank deposits	**(9,744)**	(10,914)
Redemption of shareholder loan	**400,000**	—
Acquisition of additional interest in a subsidiary	**(5,265)**	—
Net cash inflow arising upon completion of the unwinding	**—**	30,849
Payments for right-of-use assets	**—**	(8)
Repayment of other debtor	**—**	53,005
Loan repayment from an associate	**—**	2,331
Net cash inflow on acquisition of a business	**—**	69,859
Net cash generated from investing activities	**497,830**	22,520
Financing activities		
New banks loans raised	**100,370**	117,854
Advance from an intermediate holding company	**872**	1,154
Repayments of bank loans	**(90,164)**	(248,863)
Dividends paid	**(217,329)**	(136,606)
Repayments of lease liabilities	**(29,253)**	(31,132)
Interest paid	**(4,640)**	(14,552)
Interest paid on lease liabilities	**(767)**	(1,198)
Repayments to other creditors	**(23,000)**	—
Net cash used in financing activities	**(263,911)**	(313,343)
Net increase in cash and cash equivalents	**1,063,059**	229,417
Cash and cash equivalents at beginning of the year	**1,530,568**	1,299,649
Effect of foreign exchange rate changes, net	**(6,748)**	1,502
Cash and cash equivalents at end of the year	**2,586,879**	1,530,568
Represented by:		
Bank balances and cash	**2,586,879**	1,530,568

1. GENERAL INFORMATION

Build King Holdings Limited (the "Company") was incorporated in Bermuda 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 holding company is Top Horizon Holdings Limited, a company incorporated in the British Virgin Islands ("BVI") with limited liability. The directors of the Company consider Wai Kee Holdings Limited ("Wai Kee"), also incorporated in Bermuda as an exempted company with limited liability and its shares being listed on the Stock Exchange, as the Company's ultimate holding company. The addresses of the registered office and principal place of business of the Company are disclosed in the section headed "Corporate Information" of the annual report.

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

The Company acts as an investment holding company. The principal activities of its principal subsidiaries, joint ventures and associates are set out in notes 49, 21 and 22 respectively. The Company and its subsidiaries are collectively hereafter referred to as the "Group".

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards-Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2026.

3 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 *"Financial Instruments"* clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

New and amendments to HKFRS Accounting Standards in issue but not yet effective (Continued)

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments (Continued)

The disclosure requirements in HKFRS 7 *"Financial Instruments: Disclosures"* in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *"Presentation and Disclosure in Financial Statements"*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *"Presentation of Financial Statements"*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *"Accounting Policies, Changes in Accounting Estimates and Errors"* and HKFRS 7. Minor amendments to HKAS 7 *"Statement of Cash Flows"* and HKAS 33 *"Earnings per Share"* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are in accordance with HKFRS 16 “Leases”, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Business combinations or asset acquisitions

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

Business combinations or asset acquisitions (Continued)

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

For business combinations in which the acquisition date is on or after 1 January 2023, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting 2018* issued in June 2018 (the "Conceptual Framework") except for transactions and events within the scope of HKAS 37 or HK(IFRIC) - Int 21, in which the Group applies HKAS 37 or HK(IFRIC) - Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values, except that:

- deferred tax assets or liabilities, and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based Payment" at the acquisition date;

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for (a) which the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amounts of the identifiable assets acquired and the liabilities assumed as at acquisition date.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") (or groups of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Contract assets on construction contracts represent the Group's right to consideration for work completed and not billed as the rights are conditional on the Group's future performance in satisfying the respective performance obligations. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

Contract liabilities on construction contracts represent the Group's obligation to transfer project works to customers for which the Group has received consideration (or an amount of consideration is due) from the customers.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date, the Group recognises revenue in the amount to which the Group has the right to invoice.

Variable consideration

For contracts that contain variable consideration (variation order of construction contract), the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Investments in associates and joint ventures (Continued)

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Investments in associates and joint ventures (Continued)

Changes in the Group's interest in associates and joint ventures

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the HKFRS Accounting Standards applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transaction are recognised in the consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Property, plant and equipment

Property, plant and equipment are tangible assets held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Property, plant and equipment (Continued)

Plant in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including cost of testing whether the related assets is functioning property in accordance with the Group's accounting policy. Sales proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss. The cost of those items are measured in accordance with the measurement requirements of HKAS 2. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets other than plant under construction less their residual values over their estimated useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Service concession arrangements

A service concession arrangement is an arrangement whereby a government or other public sector body contracts with a private operator to develop (or upgrade), operate and maintain infrastructure assets. The grantor controls or regulates what services the operator must provide using the assets, to whom, and at what price, and also controls significant residual interest in the assets at the end of the term of the arrangement.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Service concession arrangements (Continued)

The Group, as an operator, recognises a financial asset if it has an unconditional contractual right to receive cash from or at the direction of the grantor for the construction services. The Group measures the financial asset at fair value on its initial recognition. At the end of each reporting period subsequent to initial recognition, the financial asset is carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on financial assets below).

When the Group has a right to charge for usage of concession infrastructure (as a consideration for providing construction service in a service concession arrangement), it recognises an intangible asset at fair value upon initial recognition (see accounting policy on intangible assets below).

The Group recognises and measures revenue for the services in relation to the operation of the plant under a service concession arrangement in accordance with HKFRS 15 "Revenue from Contracts with Customers".

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of office premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes the amounts of the initial measurement of the lease liabilities.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the re-translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in the foreign operation.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rate prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Retirement benefit costs

Payments to the defined contribution retirement benefit plans, including state-managed retirement schemes and Mandatory Provident Fund Schemes ("MPF Schemes"), are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standards requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair values at the acquisition date (which is regarded at their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Inventories include leasehold lands held for sale. The carrying amount of leasehold lands is measured at cost less any accumulated deprecation and impairment losses. The residual values are determined as the estimated disposal value of the leasehold land.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Properties under development

Properties under development which are intended to be sold upon completion of development are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right of use assets, properties under development are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis including allocation of related development expenditure incurred. Net realisable value represents the estimated selling price for the properties less estimated cost to completion and costs necessary to make the sales. Cost necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Properties under development are transferred to properties for sale upon completion.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the account of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the net cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

When assessing whether a contract is onerous or loss-making, the Group includes costs that relate directly to the contract, consisting of both the incremental costs and an allocation of other costs that relate directly to fulfilling contracts.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or fair value through other comprehensive income as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the “change in fair value of financial assets at FVTPL” line item. Dividend and interest earned on the financial asset are included in the “investments and other income” line item.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including other financial asset at amortised cost, trade and other debtors, amounts due from fellow subsidiaries, a joint venture, associates and other partners of joint operations, bills receivables, pledged bank deposits, time deposits with original maturity of not less than three months and bank balances) and contract assets which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade debtors and contract assets without significant financing component.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(ii) Definition of default (Continued)

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Lifetime ECL for trade receivables and contract assets are considered individually taking into consideration past due information and relevant credit information, such as forward looking macroeconomic information.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade debtors, contract assets and amounts due from other partners of joint operations where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including creditors and accrued charges, amounts due to an intermediate holding company, fellow subsidiaries, an associate, other partners of joint operations and non-controlling interests, bank loans and other creditors are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset (or a cash-generating unit) is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measureable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Measurement of contract sum of construction contracts

The management recognises revenue on the basis of direct measurement of the value of construction work transferred to the customer to date. Management estimates the contract sum and budgeted costs at the commencement of the construction contracts and regularly assesses the progress of construction works as well as the financial impact of scope changes, claims, disputes and liquidation damages. The management's estimate of the revenue requires significant judgement and has a significant impact on the amount of the revenue recognised. There are internal qualified surveyors to measure the value of the construction work completed for each construction projects periodically. The construction contracts performed by the Group would also be certified by the independent quantity surveyors periodically according to the construction contracts. The Group regularly reviews and revises the estimation of contract sum for each constructions contract, the contract progresses and certifications issued by the independent quantity surveyors. As disclosed in note 5 to the consolidated financial statements, the revenue recognised from construction contract was HK$13,601,982,000 (2024: HK$14,153,310,000).

Income taxes

The realisability of the deferred tax asset mainly depends on whether sufficient future profit or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material recognition of deferred tax assets may arise, which will be recognised in profit or loss in the period in which such a recognition takes place. As at 31 December 2025, no deferred tax asset has been recognised in the Group's consolidated statement of financial position in relation to unused tax losses of HK$437,241,000 (2024: HK$382,991,000) due to unpredictability of future profit streams.

5. REVENUE FROM SERVICES

(i) Disaggregation of revenue from contracts with customers

Segments	2025 Hong Kong HK$'000	2025 Other regions in the People's Republic of China (the"PRC") HK$'000	2025 Consolidated HK$'000
Types of service			
Construction contract	**13,601,982**	**—**	**13,601,982**
Sewage treatment plant operation	**—**	**24,449**	**24,449**
Steam fuel plant operation	**—**	**216,273**	**216,273**
Total revenue	**13,601,982**	**240,722**	**13,842,704**
Timing of revenue recognition			
Over time	**13,601,982**	**240,722**	**13,842,704**

Segments	2024 Hong Kong HK$'000	2024 The PRC HK$'000	2024 Consolidated HK$'000
Types of service			
Construction contract	14,153,310	—	14,153,310
Sewage treatment plant operation	—	48,902	48,902
Steam fuel plant operation	—	166,324	166,324
Total revenue	14,153,310	215,226	14,368,536
Timing of revenue recognition			
Over time	14,153,310	215,226	14,368,536

5. REVENUE FROM SERVICES (Continued)

(ii) Performance obligations for contracts with customers

Construction contract

The Group provides construction services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these construction services based on the value of construction work using output method.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones or the value of construction work has to be agreed with the customers. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfer the contract assets to trade receivables when the Group issued invoice to the customers based on the value of work certified by independent quantity surveyors.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which ranges from one to two years from the date of the practical completion of the construction. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed upon specifications and such assurance cannot be purchased separately.

Sewage treatment plant and steam fuel plant operation

For steam fuel plant operation, where the Group acts as principal and is primarily responsible for providing the steam fuel services for the public in the PRC. For sewage treatment plant, where the Group act as an operator to operate the sewage treatment for the public in the PRC. The operations simultaneously receives and consumes the benefit provided by the Group's performance as the Group performs, the Group recognises the fee received or receivable from the customers based on their usage, which is agreed upfront, as its revenue over time and all related sewage treatment and steam fuel costs as its cost of services.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

For construction contracts, the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 amounting to HK$30,283,000,000 (2024: HK$31,267,000,000). Management expects that all the remaining performance obligations will be recognised as revenue over the next five years (2024: six years) from the end of the reporting period.

All sewage treatment plant and steam fuel plant service income is for period less than one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. SEGMENTAL INFORMATION

The Group is mainly engaged in construction work. Information reported to the Company's chief operating decision maker, i.e. the executive directors, for the purposes of resource allocation and assessment of performance is focused on geographical location of its customers including Hong Kong and the PRC. No operating segments have been aggregated in arriving at the reportable segments of the Group. The Group's reportable and operating segments under HKFRS 8 "Operating Segments" are summarised as follows:

Year ended 31 December 2025

	Hong Kong HK$'000	**The PRC HK$'000**	**Total HK$'000**
Results			
Segment revenue	**13,601,982**	**240,722**	**13,842,704**
Segment profit	**529,749**	**34,421**	**564,170**
Unallocated expenses			**(10,174)**
Investments income			**518**
Net decrease in fair value of financial assets at FVTPL			**(26,543)**
Share of results of joint ventures			**(2,184)**
Share of results of associates			**3,402**
Finance costs			**(6,168)**
Profit before tax			**523,021**

Year ended 31 December 2024

	Hong Kong HK$'000	The PRC HK$'000	Total HK$'000
Results			
Segment revenue	14,153,310	215,226	14,368,536
Segment profit (loss)	581,051	(16,880)	564,171
Unallocated expenses			(8,033)
Investments income			984
Net increase in fair value of financial assets at FVTPL			3,728
Share of results of joint ventures			(48,297)
Share of results of associates			615
Finance costs			(16,491)
Profit before tax			496,677

6. SEGMENTAL INFORMATION (Continued)

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

Segment profit (loss) represents the profit earned (loss incurred) by each segment without allocation of dividends from financial assets at FVTPL, interest on financial assets at FVTPL, change in fair value of financial assets at FVTPL, share of results of joint ventures and associates, finance costs and unallocated expenses.

At 31 December 2025

	Hong Kong HK$'000	The PRC HK$'000	Total HK$'000
Assets			
Segment assets	4,592,589	681,492	5,274,081
Interests in joint ventures			4,160
Interests in associates			38,835
Unallocated assets			3,113,816
Total consolidated assets			8,430,892
Liabilities			
Segment liabilities	5,200,543	133,017	5,333,560
Obligations in excess of interests in joint ventures			767
Obligations in excess of interests in associates			9,393
Unallocated liabilities			176,512
Total consolidated liabilities			5,520,232

For the year ended 31 December 2025

	Hong Kong HK$'000	The PRC HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss or segment assets:			
Additions to property, plant and equipment	39,033	30,598	69,631
Additions to right-of-use assets	12,553	–	12,553
Depreciation of property, plant and equipment	35,148	38,939	74,087
Depreciation of right-of-use assets	27,263	296	27,559
Amortisation of intangible assets	17,667	6,468	24,135
Interest income on bank deposits, other receivables, other financial asset at amortised cost and loan to an associate	20,131	1,539	21,670
Gain (loss) on disposal of property, plant and equipment	619	(478)	141

6. SEGMENTAL INFORMATION (Continued)

At 31 December 2024

	Hong Kong HK$'000	The PRC HK$'000	Total HK$'000
Assets			
Segment assets	5,268,918	724,792	5,993,710
Interests in joint ventures			6,030
Interests in associates			35,430
Unallocated assets			2,439,963
Total consolidated assets			8,475,133
Liabilities			
Segment liabilities	5,501,523	142,200	5,643,723
Obligations in excess of interests in joint ventures			453
Obligations in excess of interests in associates			13,410
Unallocated liabilities			142,539
Total consolidated liabilities			5,800,125

For the year ended 31 December 2024

	Hong Kong HK$'000	The PRC HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss or segment assets:			
Additions to property, plant and equipment	40,244	59,275	99,519
Additions to right-of-use assets	11,672	8	11,680
Additions to intangible assets	62,881	—	62,881
Depreciation of property, plant and equipment	31,447	32,253	63,700
Depreciation of right-of-use assets	31,071	281	31,352
Amortisation of intangible assets	45,214	13,478	58,692
Interest income on bank deposits, other receivables, other financial asset at amortised cost and loan to an associate	14,503	1,867	16,370
Written down to net realisable value of inventory	37,489	—	37,489
Gain on disposal of property, plant and equipment	1,478	2,848	4,326
Gain on disposal of a subsidiary	—	16,960	16,960
Impairment loss recognised on interest in a joint venture	—	6,691	6,691
Impairment loss recognised on other receivables	13,018	—	13,018

6. SEGMENTAL INFORMATION (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than goodwill, interests in joint ventures and associates, financial assets at FVTPL, tax recoverable, pledged bank deposits, time deposit with original maturity of not less than three months and bank balances and cash; and

- all liabilities are allocated to reportable segments other than certain amounts due to an intermediate holding company and an associate, tax payable, bank loans, deferred tax liabilities and obligations in excess of interests in joint ventures and associates.

The Group's non-current assets by geographical location of the assets are detailed below:

	Non-current assets	
	2025 HK$'000	2024 HK$'000
Hong Kong	**246,608**	273,802
The PRC	**540,617**	529,715
	787,225	803,517

Note: Non-current assets included all non-current assets except financial assets.

Revenue from customers of the corresponding years contributing over 10% of the Group's revenue are as follows:

	2025 HK$'000	2024 HK$'000
Customer A[1]	**7,534,518**	6,858,504
Customer B[1]	**N/A[2]**	1,531,089
Customer C[1]	**N/A[2]**	1,477,353
Customer D[1]	**1,576,417**	N/A[2]

1 Revenue from customers located in Hong Kong.

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

7. INVESTMENTS AND OTHER INCOME

	2025 HK$'000	2024 HK$'000
Investments and other income include:		
Dividends from financial assets at FVTPL	**228**	173
Interest on bank deposits	**21,382**	14,186
Gain on disposal of property, plant and equipment	**141**	4,326
Government subsidy for the PRC projects	**567**	1,564
Net gain arising on lease modification	**203**	—
Gain on disposal of an associate	**4,020**	—
Interest on other receivables	**288**	1,447
Interest on financial assets at FVTPL	**290**	811
Interest on other financial asset at amortised cost	**—**	676
Interest on loan to an associate	**—**	61
Government subsidy for Hong Kong operations	**—**	2,012
Gain on disposal of a subsidiary (Note 47)	**—**	16,960

8. OTHER LOSSES

	2025 HK$'000	2024 HK$'000
Impairment loss recognised on interest in a joint venture	**—**	6,691
Impairment loss recognised on other receivables	**—**	13,018
Written down to net realisable value of inventory	**—**	37,489
	—	57,198

9. FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interest on:		
Bank borrowings	**4,074**	13,409
Other borrowings	**566**	1,143
Lease liabilities	**767**	1,198
Imputed interest expense on non-current amount due to an associate	**761**	741
	6,168	16,491

10. PROFIT BEFORE TAX

	2025 HK$'000	2024 HK$'000
Profit before tax has been arrived at after charging (crediting):		
Auditor's remuneration	**2,610**	2,800
Depreciation of property, plant and equipment	**74,087**	63,700
Depreciation of right-of-use assets	**27,559**	31,352
Amortisation of intangible assets	**24,135**	58,692
Net foreign exchange (gains) losses	**(27,457)**	14,709
Staff costs:		
Directors' remuneration (Note 11)	**35,020**	40,093
Other staff costs	**2,024,063**	1,713,886
Retirement benefits scheme contributions, excluding amounts included in directors' remuneration and net of forfeited contributions of HK$2,485,000 (2024: HK$1,609,000)	**72,895**	71,087
	2,131,978	1,825,066

11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The remuneration paid or payable to each of the twelve (2024: eleven) directors were as follows:

	Fees HK$'000	Salaries and other benefits HK$'000	Performance related incentive payments HK$'000	Retirement benefits scheme contributions HK$'000	Total emoluments HK$'000
Year ended 31 December 2025					
Executive Directors					
Zen Wei Peu, Derek	–	8,913	5,230	891	15,034
Chan Chi Ming (Note a)	–	2,496	–	112	2,608
Lui Yau Chun, Paul	–	2,894	4,225	278	7,397
Tsui Wai Tim	–	2,879	2,475	273	5,627
Luk Chi Chung, Peter (Note b)	–	520	1,000	12	1,532
Non-Executive Directors					
Chang Kam Chuen, Desmond (Note c)	300	500	–	–	800
David Howard Gem	300	–	–	–	300
Chan Chi Hung, Anthony	300	–	–	–	300
Independent Non-executive Directors					
Ho Tai Wai, David	420	–	–	–	420
Ling Lee Ching Man, Eleanor	348	–	–	–	348
Lo Yiu Ching, Dantes	348	–	–	–	348
Ng Cheuk Hei, Shirley	306	–	–	–	306
	2,322	18,202	12,930	1,566	35,020

11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

	Fees HK$'000	Salaries and other benefits HK$'000	Performance related incentive payments HK$'000	Retirement benefits scheme contributions HK$'000	Total emoluments HK$'000
Year ended 31 December 2024					
Executive Directors					
Zen Wei Peu, Derek	–	8,827	4,967	882	14,676
Chang Kam Chuen, Desmond (Note c)	–	421	4,010	8	4,439
Lui Yau Chun, Paul	–	2,793	5,321	270	8,384
Tsui Wai Tim	–	2,816	3,220	270	6,306
Luk Chi Chung, Peter (Note b)	–	2,518	1,450	120	4,088
Non-Executive Directors					
Chang Kam Chuen, Desmond (Note c)	184	–	–	–	184
David Howard Gem	300	–	–	–	300
Chan Chi Hung, Anthony	300	–	–	–	300
Independent Non-executive Directors					
Ho Tai Wai, David	420	–	–	–	420
Ling Lee Ching Man, Eleanor	348	–	–	–	348
Lo Yiu Ching, Dantes	348	–	–	–	348
Ng Cheuk Hei, Shirley	300	–	–	–	300
	2,200	17,375	18,968	1,550	40,093

Notes:

(a) Mr. Chan Chi Ming was appointed as director on 13 February 2025.

(b) Mr. Luk Chi Chung, Peter was appointed as director on 29 December 2023 and resigned on 13 February 2025.

(c) Mr. Chang Kam Chuen, Desmond was re-designated to non-executive director on 21 May 2024.

Mr. Zen Wei Peu, Derek is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

During both years, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors have waived any emoluments during both years.

12. EMPLOYEES' EMOLUMENTS

During the year, the five highest paid individuals included two (2024: two) directors, details of whose emoluments are set out in note 11 above. The emoluments of the remaining three (2024: three) highest paid individuals were as follows:

	2025 HK$'000	2024 HK$'000
Salaries and other benefits	**7,689**	8,707
Performance related incentive payments	**11,165**	13,676
Retirement benefits scheme contributions	**706**	828
	19,560	23,211

Their emoluments were within the following bands:

	Number of employees	
	2025	2024
HK$6,000,001 to HK$6,500,000	**2**	—
HK$6,500,001 to HK$7,000,000	**—**	—
HK$7,000,001 to HK$7,500,000	**1**	1
HK$7,500,001 to HK$8,000,000	**—**	1
HK$8,000,001 to HK$8,500,000	**—**	1

13. INCOME TAX EXPENSE

	2025 HK$'000	2024 HK$'000
Current tax:		
Hong Kong	**66,902**	71,738
The PRC	**7,071**	14,684
Others	**566**	—
	74,539	86,422
Under (over) provision in prior years:		
Hong Kong	**1,477**	(11,492)
The PRC	**—**	182
	1,477	(11,310)
Deferred tax (Note 36)		
Current year	**(2,915)**	(7,460)
	73,101	67,652

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

13. INCOME TAX EXPENSE (Continued)

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate for the PRC subsidiaries is 25% for both years.

Income tax expense for the year can be reconciled to the profit before tax as follows:

	2025 HK$'000	2024 HK$'000
Profit before tax	523,021	496,677
Income tax expense at the applicable rate of 16.5% (2024: 16.5%)	86,298	81,952
Tax effect of share of results of joint ventures	360	7,969
Tax effect of share of results of associates	(561)	(101)
Tax effect of expenses that are not deductible in determining taxable profit	25,601	39,825
Tax effect of income that is not taxable in determining taxable profit	(21,185)	(24,565)
Under (over) provision in prior years	1,477	(11,310)
Tax effect of unrecognised tax losses	19,385	32,880
Tax effect of utilisation of tax losses previously not recognised	(43,384)	(59,146)
Tax effect of different rates for subsidiaries operating in other jurisdictions	2,146	1,678
Others	2,964	(1,530)
Income tax expense	73,101	67,652

14. DIVIDENDS

	2025 HK$'000	2024 HK$'000
Dividends paid and recognised as distribution during the year		
2024 final dividend - HK7.5 cents per share (2024: 2023 final dividend - HK8.0 cents per share)	93,141	99,350
2025 interim dividend - HK4.0 cents per share (2024: 2024 interim dividend - HK3.0 cents per share)	49,675	37,256
2024 special dividend - HK6.0 cents per share (2024: nil)	74,513	—
	217,329	136,606

A final dividend for the year ended 31 December 2025 of HK7.0 cents per ordinary share and a special dividend for the year ended 31 December 2025 of HK6.0 cents per ordinary share, totalling approximately HK$86,932,000 and HK$74,513,000 respectively based on 1,241,877,992 ordinary shares have been proposed by the board of directors of the Company and are subject to approval by the shareholders at the forthcoming annual general meeting. The final dividend and special dividend have not been included as liabilities in the consolidated financial statements.

15. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2025 HK$'000	2024 HK$'000
Profit for the year attributable to owners of the Company and earnings for the purpose of basic earnings per ordinary share	452,732	433,996

	Number of shares	
	2025 '000	2024 '000
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share	1,241,878	1,241,878

The Company has no potential ordinary shares outstanding during both years. Accordingly, no diluted earnings per share information is presented.

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Vessels HK$'000	Property under construction HK$'000	Total HK$'000
COST								
At 1 January 2024	157,734	16,213	569,065	68,485	21,532	422,622	–	1,255,651
Exchange realignment	(5,195)	–	(8,151)	(288)	(167)	–	–	(13,801)
Additions	402	1,807	24,809	3,224	1,887	9,850	57,540	99,519
Transfer	141	–	57,399	–	–	–	(57,540)	–
Disposals	–	–	(21,513)	(50)	(949)	–	–	(22,512)
At 31 December 2024	**153,082**	**18,020**	**621,609**	**71,371**	**22,303**	**432,472**	**–**	**1,318,857**
Exchange realignment	**7,841**	**–**	**14,799**	**440**	**276**	**–**	**–**	**23,356**
Additions	**16,653**	**–**	**25,586**	**2,669**	**1,039**	**11,631**	**12,053**	**69,631**
Disposals	**(761)**	**–**	**(20,248)**	**(6,537)**	**(1,677)**	**–**	**–**	**(29,223)**
At 31 December 2025	**176,815**	**18,020**	**641,746**	**67,943**	**21,941**	**444,103**	**12,053**	**1,382,621**
DEPRECIATION								
At 1 January 2024	12,284	13,200	315,812	55,464	13,585	404,868	–	815,213
Exchange realignment	(405)	–	(1,440)	(129)	(89)	–	–	(2,063)
Provided for the year	6,692	1,724	43,609	9,106	1,380	1,189	–	63,700
Eliminated on disposals	–	–	(16,091)	(45)	(663)	–	–	(16,799)
At 31 December 2024	**18,571**	**14,924**	**341,890**	**64,396**	**14,213**	**406,057**	**–**	**860,051**
Exchange realignment	**951**	**–**	**3,015**	**482**	**149**	**–**	**–**	**4,597**
Provided for the year	**7,296**	**1,914**	**57,179**	**232**	**1,402**	**6,064**	**–**	**74,087**
Eliminated on disposals	**(95)**	**–**	**(20,033)**	**(6,233)**	**(1,548)**	**–**	**–**	**(27,909)**
At 31 December 2025	**26,723**	**16,838**	**382,051**	**58,877**	**14,216**	**412,121**	**–**	**910,826**
CARRYING VALUES								
At 31 December 2025	**150,092**	**1,182**	**259,695**	**9,066**	**7,725**	**31,982**	**12,053**	**471,795**
At 31 December 2024	134,511	3,096	279,719	6,975	8,090	26,415	–	458,806

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment (other than property under construction) are depreciated on a straight line basis over their estimated useful lives taking into account of their estimated residual values, at the following rates per annum:

Buildings	5%
Leasehold improvements	$33^{1/3}$% or over the terms of the relevant leases, whichever is shorter
Plant and machinery	10% - 25%
Furniture, fixtures and equipment	25%
Motor vehicles	25%
Vessels	10% - 50%

17. RIGHT-OF-USE ASSETS

	Leasehold lands HK$'000	Leased properties HK$'000	Total HK$'000
As at 31 December 2025			
Carrying amounts	**11,476**	**29,950**	**41,426**
As at 31 December 2024			
Carrying amounts	11,198	44,660	55,858
For the year ended 31 December 2025			
Depreciation charge	**296**	**27,263**	**27,559**
For the year ended 31 December 2024			
Depreciation charge	281	31,071	31,352

	2025 HK$'000	2024 HK$'000
Expense relating to short-term lease		
– Lease properties	**8,364**	6,667
– Hire charges for plant and machinery	**258,891**	323,279
Total cash outflow for leases	**297,275**	362,276
Additions to right-of-use assets	**12,553**	11,680

For both years, the Group leases offices premises for its operations. Lease contracts are entered into for fixed term of 1 year to 3 years (2024: 1 year to 3 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

As at 31 December 2025 and 2024, the Group has obtained the land use right certificates for all leasehold lands in the PRC.

18. INTANGIBLE ASSETS

	Construction licenses HK$'000 (Note a)	Service concession arrangements HK$'000 (Notes b & c)	Customer contract HK$'000 (Note d)	Total HK$'000
COST				
At 1 January 2024	47,858	317,543	95,378	460,779
Exchange realignment	—	(10,457)	—	(10,457)
Acquisition of a business (Note 46)	—	—	62,881	62,881
Disposal of a subsidiary (Note 47)	—	(135,047)	—	(135,047)
Written off	—	—	(95,378)	(95,378)
At 31 December 2024	**47,858**	**172,039**	**62,881**	**282,778**
Exchange realignment	**—**	**8,813**	**—**	**8,813**
At 31 December 2025	**47,858**	**180,852**	**62,881**	**291,591**
AMORTISATION				
At 1 January 2024	—	51,572	95,378	146,950
Exchange realignment	—	(1,690)	—	(1,690)
Charge for the year	—	13,478	45,214	58,692
Eliminated on disposal of a subsidiary (Note 47)	—	(42,635)	—	(42,635)
Elimination of written off	—	—	(95,378)	(95,378)
At 31 December 2024	**—**	**20,725**	**45,214**	**65,939**
Exchange realignment	**—**	**1,062**	**—**	**1,062**
Charge for the year	**—**	**6,468**	**17,667**	**24,135**
At 31 December 2025	**—**	**28,255**	**62,881**	**91,136**
CARRYING VALUES				
At 31 December 2025	**47,858**	**152,597**	**—**	**200,455**
At 31 December 2024	47,858	151,314	17,667	216,839

18. INTANGIBLE ASSETS (Continued)

Notes:

(a) The amount represents the fair value of the construction licenses (with indefinite useful lives) held by wholly-owned subsidiaries, Build King Construction Limited ("BKCL") of HK$32,858,000 and Integral E&M Contracting Limited ("IEC") of HK$15,000,000.

The construction licenses are granted by the Works Branch, Development Bureau of the Hong Kong Special Administrative Region (the "HKSAR") to BKCL and IEC. Through those construction licenses BKCL is eligible to undertake government construction contracts of all five categories of public works, namely port works, site formation, road and drainage, water works and buildings with no limitation in contract sum. IEC is an approved supplier of materials and specialist contractor for public works in three categories, air-conditioning installation, electrical installation and fire service installation with no limitation in contract sum. The construction licenses basically have no legal life but are renewable every year as long as BKCL and IEC are able to comply with certain provisions and requirements set out by the Works Branch, Development Bureau of the HKSAR throughout the relevant period.

Various studies including sensitivity analysis and market trends have been carried out by the management of the Group, which supports that the construction licenses have no foreseeable limit to the period over which the construction licenses are expected to generate net cash inflow for the Group. As a result, the construction licenses are considered by the management of the Group as having an indefinite useful life because it is expected to contribute net cash inflow indefinitely. The construction licenses will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired. Particulars regarding the impairment testing on construction licenses are disclosed in note 20.

(b) A subsidiary of the Company, Tianjin Wai Kee Earth Investment Co., Ltd ("Tianjin Wai Kee Earth"), entered into a service concession arrangement with the local government in 2018 whereby Tianjin Wai Kee Earth is required to build the infrastructure of a steam fuel supply plant and is granted an exclusive operating right for provision of steam fuel supply services to the industrial users in Yanchi Industrial Park at Gaotai District, Zhangye City, Gansu Province of the PRC for a term of 30 years. The construction of the steam fuel supply plant comprising construction works and equipment acquisition and installation had been completed and put into operation in 2019.

Tianjin Wai Kee Earth in 2020 entered into another service concession arrangement with local government whereby Tianjin Wai Kee Earth is required to build the infrastructure of a steam fuel supply plant and is granted an exclusive operating right for provision of steam fuel supply to industrial users in Circular Economy Industrial Park at Bei He Wan, Jinta County, Gansu Province of the PRC for a term of 30 years.

Pursuant to both service concession arrangement contracts, Tianjin Wai Kee Earth is responsible for the construction of steam fuel supply plant and entitled to operate the steam fuel supply plant upon completion for a specified concession period by charging users of the public service, which amounts are contingent on the extent that the public uses the service. At the end of the operating period, Tianjin Wai Kee Earth is required to transfer the steam fuel supply plant to the local government. As such, the arrangement is accounted for as a service concession arrangement and the right to charge the users of the public service is recognised as intangible asset. The Group estimates the fair value of the intangible asset to be equal to the construction costs plus certain margin. Amortisation of the intangible asset is provided for over the operating period of 30 years on a straight line basis.

18. INTANGIBLE ASSETS (Continued)

Notes: (Continued)

(c) A subsidiary of the Company, Wuxi Qianhui Sewage Treatment Co., Ltd. ("Wuxi Qianhui"), entered into a service concession arrangement with the local government whereby Wuxi Qianhui was required to build the infrastructure of a sewage treatment plant phase II and was granted an exclusive operating right for provision of sewage treatment services to the industrial and domestic users in Qian Qiao Zhen, Hui Shan District, Wuxi City, Jiang Su Province of the PRC for a term of 30 years.

Pursuant to the service concession arrangement contract, Wuxi Qianhui was responsible for the construction of sewage treatment plant phase II and entitled to operate the sewage treatment plant phase II upon completion for a specified concession period by charging users of the public service, which amounts were contingent on the extent that the public uses the service. At the end of the operating period, Wuxi Qianhui was required to transfer the sewage treatment plant phase II to the local government. As such, the arrangement was accounted for as a service concession arrangement and the right to charge the users of the public service was recognised as intangible asset. The Group estimates the fair value of the intangible asset to be equal to the construction costs plus certain margin. Amortisation of the intangible asset was provided for over the operating period of 30 years on a straight line basis.

On 18 November 2024, the Group entered into a sale and purchase agreement to dispose of its 75.6% equity interest in Wuxi Qianhui to an independent third party. Upon the completion of the disposal on 31 December 2024, Wuxi Qianhui ceased to be a subsidiary but becomes an 20% owned associate of the Group. For transaction details, please refer to note 47.

(d) During the year ended 31 December 2021, the Group recognised an intangible asset amounting HK$95,378,000 in respect of an underlying construction contract held by a joint operation upon the acquisition of joint operation partner's interest in the joint operation. The intangible assets were amortised over the remaining duration of the respective construction contract which reflects the pattern in which the intangible asset's future economic benefits were expected to be consumed. The intangible assets have been fully amortised and written off in 2024.

During the year end 31 December 2024, the Group recognised an intangible asset amounting HK$62,881,000 in respect of underlying construction contracts held by joint operations upon the acquisition of joint operation partner's interests in the joint operations. The intangible assets were amortised over the remaining duration of the respective construction contracts which reflect the pattern in which the intangible asset's future economic benefits were expected to be consumed. The intangible assets have been fully amortised in 2025.

19. GOODWILL

The amount represents goodwill arising on the reverse acquisition of the Company in 2004. Particulars regarding impairment testing on goodwill are disclosed in note 20.

20. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

For the purpose of impairment testing of goodwill arising on the reverse acquisition of the Company in 2004, goodwill has been allocated to the group of underlying CGU which represents the Company and its subsidiaries in existence at the time of reverse acquisition of the Company in 2004.

For the purpose of impairment testing, intangible assets with indefinite useful lives set out in note 18 have been allocated to two CGUs, BKCL and IEC, which are included in Hong Kong segment. BKCL holds the construction licenses granted by the Works Branch, Development Bureau of the HKSAR and through which it is eligible to undertake government construction contracts for all five categories of public works with no limitation in contract sum. IEC is an approved supplier of materials and specialist contractor for public works in three categories with no limitation in contract sum.

The recoverable amounts of the above groups of CGUs have been determined on the basis of value in use calculations. Their recoverable amounts are based on certain key assumptions. All value in use calculations use cash flow projections based on latest financial budgets approved by the Group's management covering a period of 5 years, a pre-tax discount rate of 10% (2024: 10%) and a growth rate of 0% (2024: 0%). Cash flow projections during the budget period for the CGUs are based on the expected gross margins during the budget period. Budgeted gross margins have been determined based on past performance and management's expectations for the market development.

At the end of the reporting period, the management of the Group determined that any reasonably possible change in key assumption would not cause the CGUs' carrying amounts exceeding their recoverable amounts and no impairment of any of its CGUs containing goodwill and intangible assets is required.

21. INTERESTS IN JOINT VENTURES/OBLIGATIONS IN EXCESS OF INTERESTS IN JOINT VENTURES

	2025 **HK$'000**	2024 HK$'000
Cost of investment in unlisted joint ventures	**40,956**	40,956
Less: Impairment loss recognised	**(40,956)**	(40,956)
	–	–
Share of post-acquisition profits and other comprehensive income, net of dividends received	**3,393**	5,577
	3,393	5,577
Included in:		
Non-current assets	**4,160**	6,030
Non-current liabilities	**(767)**	(453)
	3,393	5,577

21. INTERESTS IN JOINT VENTURES/OBLIGATIONS IN EXCESS OF INTERESTS IN JOINT VENTURES (Continued)

At 31 December 2025, the Group has contractual obligations to share the net liabilities of a joint venture amounting to HK$767,000 (2024: HK$453,000).

Details of each of the Group's joint ventures at 31 December 2025 and 2024 are as follows:

Name of joint venture	Form of business structure	Place of registration/ incorporation/ operation	Attributable equity interest to the Group		Proportion of voting rights held by the Group		Principal activities
			2025 %	2024 %	**2025 %**	2024 %	
德州恒源熱力有限公司 ("Dezhou Heng Yuan") (note a)	Incorporated	The PRC	**49**	49	**50**	50	Central heating
Sunny Harvest Corporation Limited ("Sunny Harvest") (note b)	Incorporated	Hong Kong	**50**	50	**50**	50	Provision of transportation services
Lion Trade Global Limited ("Lion Trade") (note c)	Incorporated	BVI	**30**	30	**50**	50	Investment holding

Notes:

(a) In 2016, the Group acquired 49% equity interest in Dezhou Heng Yuan from certain independent third parties at a consideration of Renminbi ("RMB") 34,710,000 (approximately HK$40,956,000). Dezhou Heng Yuan is a limited liability company incorporated in the PRC.

(b) In 2016, the Group acquired a total of 50% equity interest in Sunny Harvest from an independent third party at a consideration of HK$50. Sunny Harvest is a limited liability company incorporated in Hong Kong and is engaged in the provision of transportation services.

(c) Lion Trade was formed by the Group together with a wholly owned subsidiary of Wai Kee in July 2017 with initial paid up capital of United States dollars ("US$") 100. The Group holds 30% equity interest in Lion Trade. The Group and Wai Kee jointly control over Lion Trade because unanimous consent from both joint venture partners is required to make decisions in the Board of Directors under the Articles of Association of Lion Trade.

22. INTERESTS IN ASSOCIATES/OBLIGATIONS IN EXCESS OF INTERESTS IN ASSOCIATES

	2025 HK$'000	2024 HK$'000
Cost of investment in unlisted associates	42,409	42,425
Share of post-acquisition losses and other comprehensive expenses, net of dividends received	(12,967)	(20,405)
	29,442	22,020
Included in:		
Non-current assets	38,835	35,430
Non-current liabilities	(9,393)	(13,410)
	29,442	22,020

At 31 December 2025, the Group has contractual obligations to share the net liabilities of certain associates amounting to HK$9,393,000 (2024: HK$13,410,000).

Details of each of the Group's principal associates as at 31 December 2025 and 2024 are as follows:

Name of associate	Form of entity	Place of incorporation/ operation	Proportion of nominal value of issued ordinary capital held indirectly by the Company		Proportion of voting rights held by the Group		Principal activities
			2025 %	2024 %	2025 %	2024 %	
Hong Kong Landfill Restoration Group Limited	Incorporated	Hong Kong	34.5	34.5	34.5	34.5	Civil engineering
Genetron Engineering Company Limited	Incorporated	Hong Kong	30	30	30	30	Civil engineering
Rainbow Triumph Limited (Note 27(e))	Incorporated	BVI	N/A	20	N/A	20	Investment holding
Wuxi Qianhui (Note 18(c))	Incorporated	The PRC	20	20	20	20	Sewage treatment

23. INVENTORIES

	2025 HK$'000	2024 HK$'000
Property under development		
Freehold land in Malaysla (Note a)	**53,691**	49,523
Uninstalled construction materials	**92,521**	86,676
	146,212	136,199

Inventories of HK$53,691,000 (2024: HK$49,523,000) are expected to be recovered after more than 12 months.

Notes:

(a) The carrying amount of freehold land is stated at lower of cost and net realisable value.

(b) The cost of inventories recognised as an expense during the year is HK$754,827,000 (2024: HK$1,250,426,000).

24. DEBTORS, DEPOSITS AND PREPAYMENTS

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

	2025 HK$'000	2024 HK$'000
Trade receivables from contracts with customers analysed by age:		
0 to 60 days	**465,582**	591,610
61 to 90 days	**1,147**	—
Over 90 days	**62,690**	58,770
	529,419	650,380
Bills receivables	**13,054**	3,254
Other debtors	**146,691**	83,435
Consideration receivable from disposal of a subsidiary (Note 47)	**—**	132,449
Deposits	**108,056**	120,494
Prepayments	**1,874**	2,388
	799,094	992,400

As at 1 January 2024, trade receivables from contracts with customers amounted to HK$604,478,000.

The Group allows an average credit period of 60 days to its trade customers.

Details of impairment assessment are set out in note 39.

25. CONTRACT ASSETS

	2025 HK$'000	2024 HK$'000
Analysed as current:		
Unbilled revenue of construction contracts (Note a)	**2,547,437**	3,157,219
Retention receivables of construction contracts (Note b)	**989,001**	863,611
	3,536,438	4,020,830
Retention receivables of construction contracts		
Due within one year	**385,210**	325,047
Due more than one year	**603,791**	538,564
	989,001	863,611

As at 1 January 2024, contract assets amounted to HK$3,658,732,000.

Notes:

(a) Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

(b) Retention receivables included in contract assets represents the Group's right to receive consideration for work performed but not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group. For retention receivables in respect of construction contracts, the due dates are usually one year after the completion of the construction work.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

Details of the impairment assessment are set out in note 39.

26. AMOUNT(S) DUE FROM FELLOW SUBSIDIARIES/A JOINT VENTURE/ASSOCIATES/OTHER PARTNERS OF JOINT OPERATIONS

The amounts are unsecured, interest-free and repayable on demand.

Details of the impairment assessment are set out in note 39.

27. FINANCIAL ASSETS AT FVTPL

	2025 HK$'000	2024 HK$'000
Financial assets mandatorily measured at FVTPL:		
Listed securities in Hong Kong (Note a)	**4,746**	5,495
Unlisted equity investment in Hong Kong (Note b)	**1,220**	1,220
Quoted debt securities (Note c)	**5,281**	9,391
Unlisted investment fund (Note d)	**62,814**	45,276
Investment in a property company (Note e)	**327,339**	—
Shareholder loan to an associate with redemption right (Note e)	**—**	727,339
	401,400	788,721
Analysed for reporting purposes as:		
Non-current assets	**328,559**	328,559
Current assets	**72,841**	460,162
	401,400	788,721

Notes:

(a) The listed securities in Hong Kong are measured at fair value at recurring basis, by reference to market bid price in an active market.

(b) The unlisted equity investment represents investment in a private entity incorporated in Hong Kong. The fair value of the investment is measured with reference to the net asset value of the private entity.

(c) The quoted debt securities represent investment in unlisted bonds issued by listed entities. The securities have been acquired principally for the purpose of selling in the near term, thus classified as held for trading.

(d) The unlisted investment fund represents investment in equity investment fund issued by a private entity incorporated in Hong Kong. The fair value of the investment is measured with reference to the net asset value of the investment fund.

(e) In 2023, the Group acquired 20% of the issued shares of Rainbow Triumph Limited ("RTL") at a consideration of HK$15,700 and the shareholder loan due from RTL in the principal amount of HK$800,000,000 at a total consideration of HK$800,015,700. RTL is an investment holding company incorporated in the British Virgin Islands, and is a subsidiary of Road King Infrastructure Limited ("Road King"), a company incorporated in Bermuda as an exempted company with its shares listed on the Stock Exchange. Road King is an associate of Wai Kee. The Group has the right to require RTL to repay (i) up to 50% of the shareholder loan due to the Group on the first anniversary of the acquisition's completion date; and (ii) up to the balance of shareholder loan due to the Group on 28 February 2025, at the redemption price based on adjustments related to the market value of properties held by RTL. The fair value of the redemption right has been arrived on the basis of a valuation carried out on the date by an independent and qualified property valuer not connected to the Group. The Group did not exercise the right on the first anniversary of the completion date within the timeframe as stated in the agreement.

The Directors consider that the redemption right is a derivative embedded in the shareholder loan. The entire shareholder loan including principal, interest and redemption right are accounted for as financial assets at FVTPL.

On 24 January 2025, the Group served notice to RTL to exercise the loan redemption right in respect of the principal amount of HK$400,000,000 and transfer 10% of the issued shares to Shine Precious Limited, an indirect wholly owned subsidiary of Road King. The final redemption price of HK$400,000,000 is classified as current asset at 31 December 2024, and was settled on 28 February 2025. Following the completion of the loan redemption, the remaining financial assets of FVTPL of HK$327,339,000 comprising 10% of the issued shares in RTL and the remaining shareholder loan is classified as non-current asset at 31 December 2024 and 2025.

Details of fair value measurement are set out in note 39.

28. PLEDGED BANK DEPOSITS/TIME DEPOSITS WITH ORIGINAL MATURITY OF NOT LESS THAN THREE MONTHS/BANK BALANCES AND CASH

Bank deposits of the Group amounting to HK$90,251,000 (2024: HK$80,507,000) are pledged to banks for securing the banking facilities granted to the Group. The pledged bank deposits carry interest at market rates which range from 0.50% to 2.32% (2024: 0.50% to 4.26%) per annum.

As at 31 December 2025, time deposits of HK$557,000 (2024: HK$1,343,000) with original maturity of not less than three months carry interest at market rates which range from 1.35% to 2.32% (2024: 1.65% to 4.26%) per annum.

As at 31 December 2025, bank balances and cash include the time deposits of HK$1,128,000,000 (2024: HK$7,000,000) with original maturity of three months or less, bank balances and cash carry interest at market rates which range from 0.80% to 3.60% (2024: 0.30% to 3.59%) per annum.

Details of the impairment assessment are set out in note 39.

29. CREDITORS AND ACCRUED CHARGES

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

	2025 HK$'000	2024 HK$'000
Trade creditors analysed by age:		
0 to 60 days	**238,192**	637,931
61 to 90 days	**117,396**	92,108
Over 90 days	**7,040**	21,273
	362,628	751,312
Retention payables	**1,354,394**	1,247,804
Accrued project costs	**2,023,102**	2,423,437
Other creditors and accrued charges (Note)	**126,595**	151,922
	3,866,719	4,574,475
Retention payables:		
Repayable within one year	**546,425**	603,813
Repayable more than one year	**807,969**	643,991
	1,354,394	1,247,804

Note: Including in the other creditors and accrued charges are other creditors of HK$23,000,000 in 2024 which were unsecured, interest bearing at 4% fixed rate per annum and variable interest with special condition as per the respective loan agreements and were fully repaid during the year ended 31 December 2025.

For retention payables in respect of construction contracts, the due dates are usually one year after the completion of the construction work and are expected to be settled within the Group's normal operating cycle.

30. CONTRACT LIABILITIES

	2025 HK$'000	2024 HK$'000
Construction contracts	**1,364,936**	958,120
Steam fuel plant operation	**12,064**	8,050
	1,377,000	966,170

As at 1 January 2024, contract liabilities amounted to HK$555,144,000.

Contract liabilities of the Group, which are expected to be settled within the Group's normal operating cycle, are classified as current.

Revenue from construction contracts recognised during the year ended 31 December 2025 that was included in the contract liabilities at the beginning of the year was HK$140,604,000 (2024: HK$187,607,000).

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Construction contracts

In recognising the construction revenue, the Group adjusts the amount of payment received for the goods and services transferred to the customers. In certain circumstances, the adjustment will result the amount of payment received in excess of the revenue recognised to date. Such difference will be recorded as contract liabilities.

31. LEASE LIABILITIES

	2025 HK$'000	2024 HK$'000
Lease liabilities payable:		
Within one year	**23,178**	29,685
In the second year	**6,303**	18,835
In the third to fifth year inclusive	**2,947**	811
	32,428	49,331
Less: Amounts due within one year shown under current liabilities	**(23,178)**	(29,685)
Amounts shown under non-current liabilities	**9,250**	19,646

The incremental borrowing rate applied by the relevant group entities is 3.50% (2024: 3.50%).

32. AMOUNT(S) DUE TO AN INTERMEDIATE HOLDING COMPANY/FELLOW SUBSIDIARIES/ OTHER PARTNERS OF JOINT OPERATIONS/NON-CONTROLLING INTERESTS

The amounts are unsecured, interest-free and repayable on demand.

33. AMOUNT DUE TO AN ASSOCIATE

The current amount due to an associate is unsecured, interest-free and repayable on demand.

The non-current amount due to an associate at 31 December 2024 was unsecured, interest-free and had an agreed repayment terms which was not repayable within twelve months before 31 December 2024 and the balance was therefore shown as non-current liabilities. The non-current amount was carried at amortised cost using effective interest of 5.4% per annum.

34. BANK LOANS

	2025 HK$'000	2024 HK$'000
The maturity of the bank loans that based on repayment schedule of respective loan agreements is as follows:		
Within one year	**47,942**	50,068
In the second year	**1,114**	1,060
In the third to fifth year inclusive	**39,288**	24,568
	88,344	75,696
Less: Amounts shown under current liabilities	**(88,344)**	(75,696)
Amounts shown under non-current liabilities	**—**	—
Secured bank loans	**58,344**	47,678
Unsecured bank loans	**30,000**	28,018
	88,344	75,696

As at 31 December 2025, the Group has bank loans in the amount of HK$88,344,000 (2024: HK$75,696,000) contain a repayable on demand clause. As at 31 December 2025 related bank loans with aggregate amount of HK$40,402,000 (2024: HK$25,628,000) that were repayable more than one year after the end of reporting period had been classified as current liabilities.

All bank loans at the end of the reporting period are variable rate borrowings which carry interest rate ranging from 4.48% to 5.05% (2024: 4.25% to 5.51%) per annum and repriced every month, except for bank loans of RMB37,254,000 (equivalent approximately to HK$41,516,000) (2024: RMB25,175,000 (equivalent approximately to HK$26,688,000)) which carries fixed interest rate at 4% per annum (2024: 4.8%).

As at the end of the reporting period, the Group has undrawn borrowing facilities of HK$1,687,302,000 (2024: HK$1,403,421,000).

35. ORDINARY SHARE CAPITAL

	Number of shares	Amount HK$'000
Authorised:		
Ordinary shares of HK$0.1 each		
At 1 January 2024, 31 December 2024 and 31 December 2025	1,700,000,000	170,000
Issued and fully paid:		
Ordinary shares of HK$0.1 each		
At 1 January 2024, 31 December 2024 and 31 December 2025	1,241,877,992	124,188

36. DEFERRED TAX LIABILITIES

	2025 HK$'000	2024 HK$'000
Deferred tax liabilities	**5,750**	8,665

The deferred tax liabilities recognised by the Group represent fair value of intangible assets arising from the acquisition of a business during the year ended 31 December 2005 and acquisition of a business during the year ended 31 December 2024.

	HK$'000
At 1 January 2024	5,750
Acquisition of a business	10,375
Credit to profit or loss (Note 13)	(7,460)
At 31 December 2024	**8,665**
Credit to profit or loss (Note 13)	**(2,915)**
At 31 December 2025	**5,750**

At the end of the reporting period, the Group has unutilised tax losses carried forward to offset future profits, the utilisation of which will expire in the following years:

	2025 HK$'000	2024 HK$'000
Tax losses:		
Carried forward indefinitely	**437,241**	382,991

No deferred tax asset has been recognised in respect of unused tax losses due to the unpredictability of future profit streams.

37. JOINT OPERATIONS

At 31 December 2025 and 2024, the Group had interests in the following principal joint operations:

Name of joint operation	Form of business structure	Place of incorporation/ registration/ operation	Attributable interest to the Group		Principal activities
			2025	2024	
			%	%	
CRBC-Build King Joint Venture	Unincorporated	Hong Kong	**49**	49	Civil engineering
Build King-Richwell Engineering Joint Venture	Unincorporated	Hong Kong	**60**	60	Civil engineering
Build King - Kum Shing Joint Venture	Unincorporated	Hong Kong	**65**	65	Civil engineering
Build King - Richwell Engineering Joint Venture	Unincorporated	Hong Kong	**70**	70	Civil engineering
Build King - Richwell Civil Joint Venture	Unincorporated	Hong Kong	**70**	70	Civil engineering
Build King - STEC Joint Venture	Unincorporated	Hong Kong	**51**	51	Civil engineering
Build King - Hyundai Joint Venture	Unincorporated	Hong Kong	**70**	70	Building construction
Build King - Richwell Civil Joint Venture	Unincorporated	Hong Kong	**62**	62	Civil engineering
Build King - Richwell Engineering Joint Venture	Unincorporated	Hong Kong	**60**	60	Civil engineering
Build King - CRCC Harbour Joint Venture	Unincorporated	Hong Kong	**55**	55	Civil engineering
Build King - Richwell Engineering Joint Venture	Unincorporated	Hong Kong	**80**	80	Civil engineering
Zhen Hua - Build King Joint Venture	Unincorporated	Hong Kong	**49**	49	Civil engineering
Build King - Able Joint Venture	Unincorporated	Hong Kong	**70**	70	Building construction
Build King - Richwell Engineering Joint Venture	Unincorporated	Hong Kong	**60**	60	Civil engineering

37. JOINT OPERATIONS (Continued)

Name of joint operation	Form of business structure	Place of incorporation/ registration/ operation	Attributable interest to the Group		Principal activities
			2025 **%**	2024 %	
CRBC - Build King Joint Venture	Unincorporated	Hong Kong	**49**	49	Civil engineering
CWBKYH JV	Unincorporated	Hong Kong	**35**	35	Civil engineering
Build King - Tung Lee Joint Venture	Unincorporated	Hong Kong	**80**	80	Civil engineering
Build King - STEC Joint Venture	Unincorporated	Hong Kong	**60**	60	Civil engineering
CRBC-Build King Joint Venture	Unincorporated	Hong Kong	**25**	25	Civil engineering
Build King - Richwell Engineering Joint Venture	Unincorporated	Hong Kong	**70**	70	Civil engineering
Build King-Tung Lee Joint Venture	Unincorporated	Hong Kong	**80**	80	Civil engineering
Vibro - Titan Joint Venture	Unincorporated	Hong Kong	**40**	40	Civil engineering
Build King - STHK Joint Venture	Unincorporated	Hong Kong	**50**	N/A	Civil engineering
Chun Wo - Build King Joint Venture	Unincorporated	Hong Kong	**70**	N/A	Civil engineering
Build King - Richwell Civil Joint Venture	Unincorporated	Hong Kong	**60**	N/A	Civil engineering
Gammon - Build King - Tung Lee Joint Venture	Unincorporated	Hong Kong	**39**	N/A	Civil engineering
Build King - Richwell Civil Joint Venture	Unincorporated	Hong Kong	**70**	N/A	Civil engineering

The above table lists the joint operations of the Group which, in the opinion of the directors, principally affect the results for the year or constitute a substantial portion of the assets and liabilities of the Group. To give details of other joint operations would, in the opinion of the directors, result in particulars of excessive length.

38. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debts and equity balance.

The capital structure of the Group consists of net debts, which includes the bank loans disclosed in note 34, net of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure periodically. As a part of this review, the management of the Group assesses the annual budget prepared by the treasury department which reviews the planned construction projects proposed by engineering department and prepares the annual budget taking into account of the provision of funding. Based on the proposed annual budget, the directors of the Company consider the cost of capital and the risks associated with the capital. The directors of the Company also balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debts.

The Group's overall strategy remains unchanged from prior year.

39. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 **HK$'000**	2024 HK$'000
Financial assets		
Financial assets at FVTPL	**401,400**	788,721
Financial assets at amortised cost	**3,540,914**	2,701,926
	3,942,314	3,490,647
Financial liabilities		
Amortised cost	**4,014,990**	4,706,432

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial asset at FVTPL, trade and other debtors, amounts due from fellow subsidiaries, associates, a joint venture and other partners of joint operations, pledged bank deposits, time deposits with original maturity of not less than three months, bank balances and cash, creditors and accrued charges, amounts due to an intermediate holding company, fellow subsidiaries, other partners of joint operations, non-controlling interests and an associate and bank loans. The risks associated with these financial instruments include market risk (interest rate risk, other price risk and currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk

(i) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable rate bank balances (note 28), variable rate bank loans (note 34). Although the Group is also exposed to fair value interest rate risk in relation to fixed rate lease liabilities (note 31), amount due to an associate (note 33), bank loans (note 34) and other creditors (note 29), the Group's policy to keep its borrowings at floating rate of interests would minimise the fair value interest rate risk.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for bank loans.

For variable rate bank loans, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis points (2024: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points (2024: 100 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2025 would decrease/increase by HK$377,000 (2024: HK$391,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank loans.

(ii) Other price risk

The Group is exposed to equity and debt security price risk through its investments in financial assets at FVTPL. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity and debt price risks at the reporting date.

If the prices of the respective equity and debt instruments had been 5% (2024: 5%) higher/lower while all other variables were held constant, the profit for the year ended 31 December 2025 would increase/decrease by HK$20,070,000 (2024: HK$39,436,000) as a result of the changes in fair value of financial assets at FVTPL.

(iii) Currency risk

The Group is exposed to currency risk as certain financial assets at FVTPL, pledged bank deposits and bank balances are denominated in foreign currencies, principally denominated in US$ and RMB, which are different from the Group's functional currency. However the Group's exposure to currency risk is minimal as the exchange rate of HK$ is pegged with US$ and the balances denominated in RMB are not material.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currencies should the needs arise.

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk management and impairment assessment

Apart from the trade receivables and contract assets from the two (2024: two) largest debtors, the Group does not have significant concentration risk exposure to any single counterparty at 31 December 2025.

Trade receivables and contract assets arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The default risk of the two largest debtors should be low as they have good reputation and financially sound.

The Group has concentration of credit risk as 58% (2024: 60%) of the total trade receivables was due from the Group's two largest debtors.

Amounts due from fellow subsidiaries, a joint venture, associates and other partners of joint operations

The credit risk of amounts due from fellow subsidiaries, a joint venture, associates and other partners of joint operations are managed through an internal process. The Group actively monitors the outstanding amount owed by each related party and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. Further, the Group closely monitors the financial performance of associates, fellow subsidiaries, a joint venture and other partners of joint operations which mainly engage in the construction service in Hong Kong. In this regard, the directors of the Company consider the Group's credit risk is significantly reduced.

Other debtors and deposits

The credit risk of other debtors and deposits is managed through an internal process. The Group closely monitor the outstanding amounts of other debtors and deposits and identifies any credit risk in a timely manner in order to reduce the risk of a credit related loss. In this regard, the directors of the Company consider the Group's credit risk is significantly reduced.

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk management and impairment assessment (Continued)

Pledged bank deposits, time deposits with original maturity of not less than three months, bank balances and bills receivables

The credit risk for pledged bank deposits, time deposits with original maturity of not less than three months, bank balances and bills receivables is limited because the counterparties are banks or financial institutions with high credit ratings. The Group assessed 12m ECL for pledged bank deposits, time deposits with original maturity of not less than three months, bank balances and bills receivables by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on pledged bank deposits, time deposits with original maturity of not less than three months, bank balances and bills receivables is considered to be insignificant.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables/ contract assets	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL - not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle after due date	Lifetime ECL - not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL - not credit-impaired	Lifetime ECL - not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk management and impairment assessment (Continued)

The table below details the maximum credit risk exposures of the Group's financial assets and contract assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	2025 Gross carrying amount HK$'000	2024 Gross carrying amount HK$'000
Financial assets at amortised cost						
Amounts due from fellow subsidiaries	26	N/A	Low risk	12m ECL	**3,564**	3,193
Amount due from a joint venture	26	N/A	Low risk (Note 1)	12m ECL	**545**	312
Amounts due from associates	26	N/A	Low risk (Note 1)	12m ECL	**15,024**	62,989
Amounts due from other partners of joint operations	26	N/A	Low risk (Note 1)	12m ECL	**59,528**	46,284
Other debtors and deposits	24	N/A	Low risk (Note 1)	12m ECL	**242,093**	190,647
Trade debtors	24	N/A	Low risk (Note 2)	Lifetime ECL	**529,419**	650,380
Bills receivables	24	Baa2 to A1 (2024: Baa2 to A1)	N/A	12m ECL	**13,054**	3,254
Pledged bank deposits	28	A3 to Aa3 (2024: A3 to Aa3)	N/A	12m ECL	**90,251**	80,507
Time deposits with original maturity of not less than three months	28	A2 to A1 (2024: A2 to A1)	N/A	12m ECL	**557**	1,343
Bank balances	28	Baa3 to Aa2 (2024: Baa3 to Aa2)	N/A	12m ECL	**2,582,705**	1,526,327
Other item:						
Contract assets	25	N/A	Low risk (Note 2)	Lifetime ECL	**3,536,438**	4,020,830

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk management and impairment assessment (Continued)

Notes:

1. For the purposes of internal credit risk management, the Group uses the financial information of the joint ventures, associates and joint operations and the past-due information of other debtors and deposits to assess whether credit risk has increased significantly since initial recognition. The related companies and other partners of joint operations are considered by management to have sound financial position and do not have any past-due amounts. The balances of other debtors and deposits are not past due.

2. For trade debtors and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The trade debtors and contract assets are assessed for ECL individually.

For the assessment of lifetime ECL by management, the estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. No impairment allowance was made on trade debtors, contract assets and other financial assets at the end of each year as the historical default rates of debtors are low.

The Group's credit risk on bill receivables, pledged bank deposits and time deposits and their respective balances are limited because the counterparties are banks with high credit ratings and good reputation established in the PRC and Hong Kong.

The credit risk of other debtors and deposits is managed through an internal process. The credit quality of each counterparty is investigated before an advance is made. The Group also actively monitors the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. The Group reviews the recoverable amount of these other debtors and deposits at the end of each reporting period.

For amounts due from associates, fellow subsidiaries and a joint venture, amounts due from other partners of joint operations, the management of the Group makes individual assessment on the recoverability of each balance based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The ECL on the above items are considered to be insignificant.

Liquidity risk

The Group's liquidity position and its compliance with lending covenants is monitored closely by the management of the Company, to ensure that the Group maintains sufficient reserve of cash and adequate committed line of funding from major financial institutions to meet its liquidity requirement in the short and long term. The Group finances its working capital requirements through a combination of funds generated from operations and bank and other borrowings.

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

	Weighted average effective interest rate %	Repayable on demand or 3 months or less HK$'000	3 - 6 months HK$'000	6 - 12 months HK$'000	1 - 3 years HK$'000	Over 3 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
2025								
Non-interest bearing	**–**	**3,113,693**	**4,984**	**–**	**760,806**	**47,163**	**3,926,646**	**3,926,646**
Fixed interest rate instruments	**4.00**	**43,177**	**–**	**–**	**–**	**–**	**43,177**	**41,516**
Variable interest rate instruments	**4.45**	**48,911**	**–**	**–**	**–**	**–**	**48,911**	**46,828**
		3,205,781	**4,984**	**–**	**760,806**	**47,163**	**4,018,734**	**4,014,990**
Lease liabilities	**3.50**	**7,797**	**7,447**	**8,604**	**9,510**	**–**	**33,358**	**32,428**
2024								
Non-interest bearing	–	3,822,412	820	139,841	533,735	110,928	4,607,736	4,607,736
Fixed interest rate instruments	4.80	27,969	–	–	–	–	27,969	26,688
Variable interest rate instruments	4.92	52,827	230	23,163	–	–	76,220	72,008
		3,903,208	1,050	163,004	533,735	110,928	4,711,925	4,706,432
Lease liabilities	3.50	8,581	8,109	14,169	19,933	–	50,792	49,331

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables (Continued)

Bank borrowings with a repayment on demand clause are included in the "repayable on demand or 3 months or less" time band in the above maturity analysis. As at 31 December 2025, the aggregate carrying amounts of these bank borrowings amounted to HK$88,344,000 (2024: HK$75,696,000). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowings will be repaid within four (2024: five) years after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements, details are set out in respective loan agreements as detailed below:

	3 months or less HK$'000	3 - 6 months HK$'000	6 - 12 months HK$'000	1 - 3 years HK$'000	Over 3 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
At 31 December 2025	**30,594**	**17,977**	**1,376**	**5,394**	**38,936**	**94,277**	**88,344**
At 31 December 2024	28,756	11,662	12,038	5,037	25,532	83,025	75,696

The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

(c) Fair value

The listed equity securities and quoted debt securities of the Group are measured at fair value at recurring basis, by reference to market bid price or quoted price in active markets and classified under Level 1.

The unlisted equity investment and unlisted investment fund of the Group are measured at fair value derived by management estimation with reference to the net asset value of the private entity and net asset value of the investment fund respectively and classified under Level 3.

The investment in a property company (2024: shareholder loan to an associate with redemption right) is measured at fair value derived by management estimation with reference to the net asset value of the private entity (2024: redemption price and the net asset value of the private entity) and classified under Level 3.

The considerations may vary significantly due to difference in timing, condition of sales and terms of agreements, size and nature of similar business to derive the estimated fair value.

The fair values of the financial assets and financial liabilities that are not measured at fair value on a recurring basis have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

40. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or 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 liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 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).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs for fair value
	31 December 2025 HK$'000	31 December 2024 HK$'000				
i) Listed equity securities in Hong Kong	4,746	5,495	Level 1	Quoted bid price in an active market	N/A	N/A
ii) Unlisted equity investment in Hong Kong	1,220	1,220	Level 3	Net asset value of the private entity	N/A	N/A
iii) Quoted debt securities	5,281	9,391	Level 1	Quoted price in an active market	N/A	N/A
iv) Unlisted investment fund	62,814	45,276	Level 3	Net asset value of the investment fund	N/A	N/A
v) Investment in a property company	327,339	–	Level 3	Net asset value of the private entity	N/A	N/A
vi) Shareholder loan to an associate with redemption right	–	727,339	Level 3	Redemption price and net asset value of the private entity	N/A	N/A

40. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Reconciliation of Level 3 fair value measurements of financial assets

	Investment in a property company HK$'000	Shareholder loan to an associate with redemption right HK$'000	Unlisted equity investment in Hong Kong HK$'000	Unlisted investment fund HK$'000	Total HK$'000
At 1 January 2024	–	734,734	1,220	29,004	764,958
Fair value (loss) gain in profit or loss	–	(7,395)	–	16,544	9,149
Exchange loss	–	–	–	(272)	(272)
At 31 December 2024	**–**	**727,339**	**1,220**	**45,276**	**773,835**
Fair value loss in profit or loss	**–**	**–**	**–**	**(22,073)**	**(22,073)**
Purchases	**–**	**–**	**–**	**39,792**	**39,792**
Exchange loss	**–**	**–**	**–**	**(181)**	**(181)**
Loan redemption	**–**	**(400,000)**	**–**	**–**	**(400,000)**
Transfer	**327,339**	**(327,339)**	**–**	**–**	**–**
At 31 December 2025	**327,339**	**–**	**1,220**	**62,814**	**391,373**

41. CAPITAL COMMITMENTS

	2025 HK$'000	2024 HK$'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**43,501**	16,703

42. RETIREMENT BENEFITS SCHEMES

The Group has two MPF Schemes and state-managed retirement schemes for all eligible employees in Hong Kong and the PRC. The MPF Schemes are registered with the Mandatory Provident Fund Schemes Authority ("MPFA") in accordance with the Mandatory Provident Fund Schemes Ordinance ("MPF Schemes Ordinance"). The assets of the MPF Schemes are held separately from those of the Group under the control of independent trustees approved by the MPFA.

In addition to the mandatory contributions specified under the MPF Schemes Ordinance, the Group also provides additional contributions for certain qualifying employees as specified in the rules of the Group's MPF Schemes. Employees leaving the MPF Schemes prior to stipulated service periods may forfeit part of their benefits relating to the Group's voluntary contributions and these amounts may be applied to reduce future voluntary contributions payable by the Group.

The employees of the Company's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government. The subsidiaries are required to contribute a fixed percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The amount charged to profit or loss of HK$74,461,000 (2024: HK$72,637,000) represents contributions paid or payable to the retirement benefits schemes by the Group at the rates specified in the rules of the MPF Schemes reduced by the aforesaid amount of forfeited benefits in respect of the current accounting period. The amount of forfeited contributions utilised in this manner during the year was approximately HK$2,485,000 (2024: HK$1,609,000). At the end of the reporting period, the total amount of forfeited contributions, which arose upon employees leaving the MPF Schemes and which are available to reduce the contributions payable in future years, was nil (2024: HK$3,000).

43. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions and balances with related parties:

	2025 HK$'000	2024 HK$'000
Fellow subsidiaries		
Land plant hire income (Note a)	**79**	120
Supply of rock (Note a)	**1,363**	645
Purchase of construction materials (Note b)	**265,604**	341,105
Construction contract revenue (Note b)	**43,188**	43,997
An associate of ultimate holding company		
Construction contract revenue (Note b)	**6,767**	—

Details of the balances with associates, joint ventures, other partners of joint operations, an intermediate holding company, fellow subsidiaries and non-controlling interests are disclosed in the consolidated statement of financial position and respective notes.

Included in the contract assets is an amounts due from a fellow subsidiary of HK$14,013,000 (2024: HK$15,206,000).

43. RELATED PARTY TRANSACTIONS (Continued)

Balance with an associate of ultimate holding company are included in contract assets of HK$2,448,000 (2024: HK$10,029,000).

Included in creditors and accrued charges is an amount due to a fellow subsidiary of HK$16,902,000 (2024: HK$40,576,000).

Notes:

(a) Transactions are fully exempted continuing connected transactions under Rule 14A.76(1) of the Listing Rules.

(b) Transactions constitute connected transaction or continuing connected transaction and the Company has fully complied with the requirements under Chapter 14A of the Listing Rules.

Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2025 HK$'000	2024 HK$'000
Short-term employee benefits	**84,011**	99,062
Post-employment benefits	**3,837**	3,939
	87,848	103,001

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Other creditors HK$'000 (Note 29)	Bank loans HK$'000 (Note 34)	Lease liabilities HK$'000 (Note 31)	Dividend payable HK$'000	Amount due to an intermediate holding company HK$'000 (Note 32)	Amount due to an associate HK$'000 (Note 33)	Amounts due to non-controlling interests HK$'000 (Note 32)	Total HK$'000
At 1 January 2024	355,116	215,471	68,791	–	19,594	24,247	1,098	684,317
Financing cash flows	(1,143)	(144,418)	(32,330)	(136,606)	1,154	–	–	(313,343)
Interest expenses	1,143	13,409	1,198	–	–	741	–	16,491
New leases entered	–	–	11,672	–	–	–	–	11,672
Exchange realignment	–	(2,879)	–	–	–	–	–	(2,879)
Dividend declared	–	–	–	136,606	–	–	–	136,606
Disposal of a subsidiary	–	(5,887)	–	–	–	–	–	(5,887)
Derecognised upon completion of the Unwinding	(332,116)	–	–	–	–	–	–	(332,116)
At 31 December 2024	**23,000**	**75,696**	**49,331**	**–**	**20,748**	**24,988**	**1,098**	**194,861**
Financing cash flows	**(23,566)**	**6,132**	**(30,020)**	**(217,329)**	**872**	**–**	**–**	**(263,911)**
Interest expenses	**566**	**4,074**	**767**	**–**	**–**	**761**	**–**	**6,168**
New leases entered	**–**	**–**	**12,553**	**–**	**–**	**–**	**–**	**12,553**
Exchange realignment	**–**	**2,442**	**–**	**–**	**–**	**–**	**–**	**2,442**
Dividend declared	**–**	**–**	**–**	**217,329**	**–**	**–**	**–**	**217,329**
Net gain arising on lease modification	**–**	**–**	**(203)**	**–**	**–**	**–**	**–**	**(203)**
At 31 December 2025	**–**	**88,344**	**32,428**	**–**	**21,620**	**25,749**	**1,098**	**169,239**

45. ACQUISITION OF ADDITIONAL INTEREST IN A SUBSIDIARY

In 2025, the Group entered into sale and purchase agreements to acquire of its 14% equity interest in Tianjin Wai Kee Earth from an independent third party at a consideration of RMB33,000,000 (approximately HK$36,195,000). Part of the consideration of RMB4,800,000 (approximately HK$5,265,000) was satisfied by way of cash. The difference between the consideration and the carrying value of additional interest acquired by the Group was recognised in equity as a capital reserve.

46. ACQUISITION OF A BUSINESS

For the year ended 31 December 2024

During the year ended 31 December 2024, the Group entered into a supplement deed with a joint venture partner and pursuant to which the Group obtains all of the rights, obligation and interest in existing joint operations at a consideration received of HK$34,400,000 from acquisition. Upon completion of the transaction, the Group has control over all the relevant activities of the operations.

The acquisition has been accounted for as acquisition of a business using the acquisition method. Acquisition-related costs had been excluded from the cost of the above acquisition. The acquisition-related costs were insignificant and recognised as an expense within the administrative expense in the consolidated statement of profit or loss for the year ended 31 December 2024.

Consideration received:

	HK$'000
Cash	(34,400)

Assets acquired and liabilities assumed at the date of acquisition were as follows:

	HK$'000
Intangible assets	62,881
Debtors, deposits and prepayments	23,381
Contract assets	78,787
Amount due from the Group	5,591
Bank balances and cash	35,459
Creditors and accrued charges	(176,874)
Contract liabilities	(44,366)
Tax liabilities	(4,124)
Deferred tax liabilities	(10,375)
	(29,640)

The fair value and gross contractual amounts of trade debtors at the date of acquisition amounted to HK$21,571,000. The best estimate at acquisition date of the contractual cash flows expected to be collected is full.

46. ACQUISITION OF A BUSINESS (Continued)

For the year ended 31 December 2024 (Continued)

Goodwill arising on acquisition:

	HK$'000
Consideration received	(34,400)
Plus: fair value of previously held interest in the joint operations	4,760
Less: net liabilities assumed	29,640
Goodwill arising on acquisition	–

The Group's previously held interest in the joint operations is remeasured to fair value amounting to HK$4,760,000 at the acquisition date which is a non-cash transaction.

Net cash inflows arising on acquisition:

	HK$'000
Consideration received in cash	34,400
Add: bank balances and cash acquired	35,459
	69,859

Impacts of acquisition on the results of the Group

Included in the profit for the year, profit amounting of HK$22,249,000 was attributable to the business operations of the acquired joint operations. Revenue for the year ended 31 December 2024 included HK$292,981,000 which was generated from the acquired joint operations.

Had the acquisition been completed on 1 January 2024, revenue for the year of the Group would have been HK$14,686,316,000, and profit for the year of the Group would have been HK$400,116,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of future results.

47. DISPOSAL OF A SUBSIDIARY

On 18 November 2024, the Group entered into a sale and purchase agreement to dispose of its 75.6% equity interest in Wuxi Qianhui to an independent third party at a consideration of RMB124.94 million. Upon the completion of the disposal on 31 December 2024, Wuxi Qianhui ceased to be a subsidiary but becomes an 20% owned associate of the Group. The net assets of Wuxi Qianhui at the date of disposal were as follows:

	HK$'000
Analysis of assets and liabilities over which control was lost:	
Intangible asset	92,412
Other financial asset at amortised cost	26,763
Debtors, deposits and prepayments	32,662
Bank balances and cash	67,751
Amount due to the Group	(51,849)
Creditors and accrued charges	(2,910)
Bank loan	(5,887)
Tax payable	(4,968)
Net assets disposed of	153,974

	HK$'000
Consideration:	
Deferred cash consideration (Note)	132,449

	HK$'000
Gain on disposal of a subsidiary:	
Consideration received and receivable	132,449
Net assets disposed of	(153,974)
Non-controlling interests	6,775
Fair value of interest in an associate	31,710
Gain on disposal (Note 7)	16,960

	HK$'000
Net cash outflow arising on disposal:	
Cash consideration received	—
Less: cash and cash equivalents disposed of	(67,751)
	(67,751)

Note: The deferred consideration will be settled in cash by the purchaser under different stages in accordance with the sale and purchase agreement. The amount of approximately HK$132,449,000 consideration received and receivable has been settled during 2025.

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 HK$'000	2024 HK$'000
Non-current asset		
Unlisted investments in subsidiaries	**60,000**	60,000
Current assets		
Amounts due from subsidiaries	**1,191,967**	891,968
Bank balances and cash	**1,203**	1,287
	1,193,170	893,255
Current liabilities		
Amount due to an intermediate holding company	**2,514**	2,514
Amounts due to subsidiaries	**953,663**	732,336
	956,177	734,850
Net current assets	**236,993**	158,405
Total assets less current liabilities	**296,993**	218,405
Capital and reserves		
Ordinary share capital	**124,188**	124,188
Reserves	**172,805**	94,217
Total equity	**296,993**	218,405

Movement in reserves

	Share premium HK$'000	Contributed surplus HK$'000 (Note)	Other reserve HK$'000 (Note)	Accumulated losses HK$'000	Total HK$'000
At 1 January 2024	14,186	419,212	115	(397,738)	35,775
Profit and total comprehensive income for the year	–	–	–	195,048	195,048
Dividend paid	–	–	–	(136,606)	(136,606)
At 31 December 2024	**14,186**	**419,212**	**115**	**(339,296)**	**94,217**
Profit and total comprehensive income for the year	**–**	**–**	**–**	**295,917**	**295,917**
Dividend paid	**–**	**–**	**–**	**(217,329)**	**(217,329)**
At 31 December 2025	**14,186**	**419,212**	**115**	**(260,708)**	**172,805**

Note: The contributed surplus and other reserve represent adjustments in share capital on the reverse acquisition of the Company in 2004.

49. PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2025 and 2024 are as follows:

Name of subsidiary	Place of incorporation/ registration	Place of operation	Issued and fully paid/registered ordinary share capital	Proportion of nominal value of issued ordinary share capital held by the Group 2025 %	2024 %	Principal activities
Allied Wise Limited	Hong Kong	Hong Kong	HK$2	**100**	100	Investment holding
Amazing Reward Group Limited	BVI	Hong Kong	US$1,000,000	**100**	100	Investment holding
Build King Construction Limited	United Kingdom	Hong Kong	GBP16,072,500	**100**	100	Construction and civil engineering
Build King Civil EngineeringLimited	Hong Kong	Hong Kong	HK$75,200,000 Ordinary shares	**100**	100	Civil engineering
			HK$24,000,000 Non-voting deferred shares	**100**	100	
Build King Interior & Construction Limited	Hong Kong	Hong Kong	HK$1,000,000	**100**	100	Fitting out, improvement and alteration works for buildings
Build King Management Limited	Hong Kong	Hong Kong	HK$2	**100**	100	Provision of administrative and management services to group companies
Build King (Zens) Engineering Limited	Hong Kong	Hong Kong	HK$66,000,002 Ordinary shares	**100**	100	Civil engineering
			HK$14,800,000 Non-voting deferred shares	**100**	100	
			HK$5,200,000 Non-voting deferred shares (note a)	**–**	–	

49. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ registration	Place of operation	Issued and fully paid/registered ordinary share capital	Proportion of nominal value of issued ordinary share capital held by the Group 2025 %	2024 %	Principal activities
Integral E&M Contracting Limited	Hong Kong	Hong Kong	HK$86,520,000	**100**	100	Electrical and mechanical engineering
Integral E&M Engineering Limited	Hong Kong	Hong Kong	HK$2	**100**	100	Electrical and mechanical engineering
Leader Marine Contractors Limited	Hong Kong	Hong Kong	HK$200,000	**100**	100	Marine engineering and provision of transportation services
Profound Success Limited	BVI	Hong Kong	US$1	**100**	100	Investment holding
Titan Foundation Limited	Hong Kong	Hong Kong	HK$20,000,000	**100**	100	Civil engineering
Top Tactic Holdings Limited	BVI	BVI	US$1	**100**	100	Investment holding
Wai Kee China Construction Company Limited	Hong Kong	The PRC	HK$10,000,000	**100**	100	Civil engineering
Wai Kee China Infrastructure Limited	Hong Kong	The PRC	HK$1	**100**	100	Investment holding
Wisdom Aim Investments Limited	Hong Kong	Hong Kong	HK$1	**100**	100	Provision of secretarial and nominee services to group companies
Wise Start Global Limited	Hong Kong	Hong Kong	HK$1	**100**	100	Investment holding
惠記環保工程(上海)有限公司 (note c)	The PRC	The PRC	US$800,000	**100**	100	Environmental engineering
Tianjin Wai Kee Earth (note b)	The PRC	The PRC	RMB320,000,000	**98.81**	84.81	Steam fuel supply

49. PRINCIPAL SUBSIDIARIES (Continued)

Notes:

(a) These deferred shares, which are not held by the Group, practically carry minimal rights to dividends and no rights to receive notice of or to attend or vote at any general meeting of the company. On a winding up, the holders of the deferred shares are entitled to a distribution out of the remaining assets of the company only after the distribution of substantial amounts as specified in the Articles of Association to holders of ordinary shares of the company.

(b) The company is a co-operative joint venture registered in the PRC.

(c) The company is a foreign owned enterprise registered in the PRC.

Except for Top Tactic Holdings Limited, all subsidiaries are indirectly held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results of the year or constitute a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

In the opinion of the directors of the Company, there are no subsidiaries that have non-controlling interest individually which are material to the Group at the end of each reporting period. Therefore, no information is disclosed for these non-wholly owned subsidiaries.

None of the subsidiaries had issued any debt securities at the end of both years.

50. MAJOR NON-CASH TRANSACTIONS

During the year, the Group entered into new lease agreements for the use of leased properties ranging from 1 to 3 years (2024: 1 to 3 years). On the lease commencement, the Group recognised right-of-use assets and lease liabilities of approximately HK$12,553,000 and HK$12,553,000 (2024: approximately HK$11,672,000 and HK$11,672,000) respectively.

RESULTS

	Year ended 31 December				
	2021 HK$'000	2022 HK$'000	2023 HK$'000	2024 HK$'000	**2025** **HK$'000**
Group revenue	10,030,017	12,422,588	12,507,050	14,368,536	**13,842,704**
Share of revenue of joint ventures	90,836	15,381	5,431	8,473	**5,758**
	10,120,853	12,437,969	12,512,481	14,377,009	**13,848,462**
Group revenue	10,030,017	12,422,588	12,507,050	14,368,536	**13,842,704**
Operating profit	371,400	557,071	671,287	560,850	**527,971**
Share of results of joint ventures	24,224	11,566	(4,048)	(48,297)	**(2,184)**
Share of results of associates	245	(106)	1,220	615	**3,402**
Finance costs	(19,014)	(17,061)	(27,459)	(16,491)	**(6,168)**
Profit before tax	376,855	551,470	641,000	496,677	**523,021**
Income tax expense	(84,964)	(122,304)	(173,551)	(67,652)	**(73,101)**
Profit for the year	291,891	429,166	467,449	429,025	**449,920**

FINANCIAL POSITION

	At 31 December				
	2021 HK$'000	2022 HK$'000	2023 HK$'000	2024 HK$'000	**2025** **HK$'000**
Total assets	7,126,192	7,320,533	8,317,742	8,475,133	**8,430,892**
Total liabilities	(5,319,565)	(5,194,589)	(5,915,514)	(5,800,125)	**(5,520,232)**
Net assets	1,806,627	2,125,944	2,402,228	2,675,008	**2,910,660**

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Zen Wei Peu, Derek
(Chairman, Chief Executive Officer and Managing Director)
Lui Yau Chun, Paul
Tsui Wai Tim
Chan Chi Ming

Non-executive Directors

David Howard Gem
Chan Chi Hung, Anthony
Chang Kam Chuen, Desmond

Independent Non-executive Directors

Ho Tai Wai, David
Ling Lee Ching Man, Eleanor
Lo Yiu Ching, Dantes
Ng Cheuk Hei, Shirley

AUDIT COMMITTEE

Ho Tai Wai, David *(Chairman)*
Ling Lee Ching Man, Eleanor
Lo Yiu Ching, Dantes
Ng Cheuk Hei, Shirley

NOMINATION COMMITTEE

Lo Yiu Ching, Dantes *(Chairman)*
Ho Tai Wai, David
Ling Lee Ching Man, Eleanor
Ng Cheuk Hei, Shirley
Zen Wei Peu, Derek

REMUNERATION COMMITTEE

Ling Lee Ching Man, Eleanor *(Chairwoman)*
Ho Tai Wai, David
Lo Yiu Ching, Dantes
Ng Cheuk Hei, Shirley
Zen Wei Peu, Derek

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Ng Cheuk Hei, Shirley *(Chairwoman)*
Ho Tai Wai, David
Ling Lee Ching Man, Eleanor
Lo Yiu Ching, Dantes
Chan Chi Ming

COMPANY SECRETARY

Chan Chi Ming

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors

SOLICITORS

Reed Smith Richards Butler
Conyers Dill & Pearman

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Units 601-605A, 6th Floor, Tower B
Manulife Financial Centre
223 Wai Yip Street
Kwun Tong, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street
Hamilton HM11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F., Far East Finance Centre
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Hong Kong

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Build King Holdings Limited