

AB BUILDERS GROUP LIMITED

奧邦建築集團有限公司

(Incorporated in the Cayman Islands with limited liability)

於開曼群島註冊成立的有限公司

Stock Code 股份代號 : 1615

2026

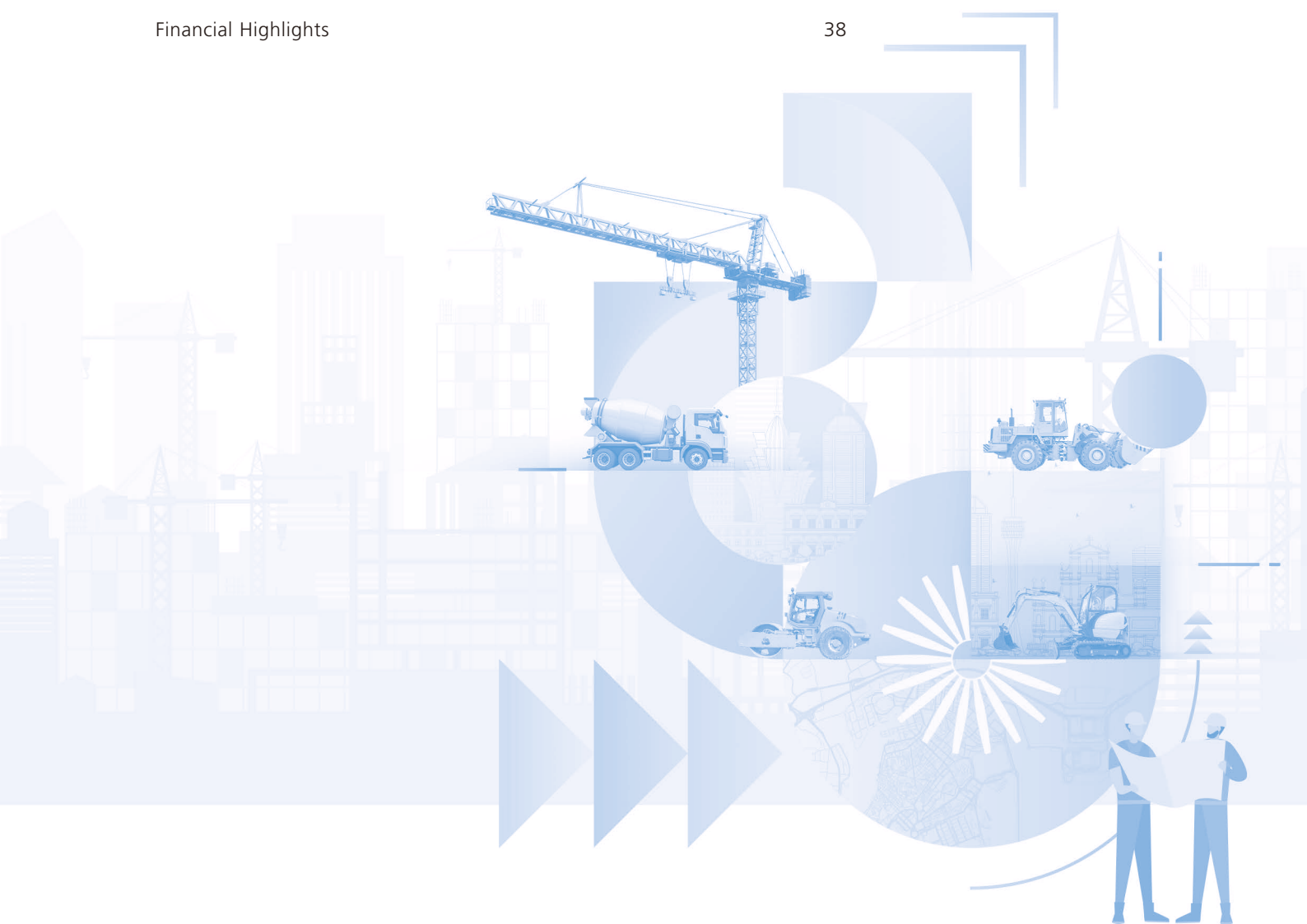
INTERIM REPORT

中期報告



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Lao Chao U (*Chairlady and Executive Director*)
Dr. Roberto Gnanavelu
Mr. Cheang Iek Wai
Mr. Ip Kin Wa

Independent Non-executive Directors

Mr. Chu Yat Pang Terry
Mr. Choy Wai Shek, Raymond, *MH, JP*
Mr. O'Yang Wiley

AUDIT COMMITTEE

Mr. O'Yang Wiley (*Chairman*)
Mr. Chu Yat Pang Terry
Mr. Choy Wai Shek, Raymond, *MH, JP*

REMUNERATION COMMITTEE

Mr. Chu Yat Pang Terry (*Chairman*)
Ms. Lao Chao U
Mr. Choy Wai Shek, Raymond, *MH, JP*

NOMINATION COMMITTEE

Mr. Choy Wai Shek, Raymond, *MH, JP* (*Chairman*)
Ms. Lao Chao U
Mr. O'Yang Wiley

COMPANY SECRETARY

Mr. Wong Wah

AUTHORISED REPRESENTATIVES

Ms. Lao Chao U
Mr. Cheang Iek Wai

ALTERNATE AUTHORISED REPRESENTATIVE TO CHEANG IEK WAI

Mr. Wong Wah

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MACAU

10th Floor, Edf. Comercial I Tak
No. 126, Rua De Pequim
Macau

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

14 Floor
Harbour Commercial Building
122-124 Connaught Road Central
Hong Kong



CORPORATE INFORMATION

AUDITOR

Baker Tilly Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

PRINCIPAL BANKS

Luso International Banking Ltd.
Banco Nacional Ultramarino, S.A
Industrial and Commercial Bank of China (Macau)
Limited
Bank of China Limited, Macau Branch

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road
North Point
Hong Kong

STOCK CODE

1615

COMPANY'S WEBSITE

www.abbuildersgroup.com



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 30 June 2026 (the “**Review Period**”), the Group made a revenue of approximately MOP127.9 million, which represented a decrease of approximately MOP42.9 million or approximately 25.1% over the corresponding period of last year. Despite the decrease in total revenue, the Group recorded a gross profit of approximately MOP13.4 million with a gross profit margin of 10.5% in the first half of 2026, as compared with a gross profit of approximately MOP10.2 million with a gross profit margin of 6.0% in the corresponding period of 2025. The increase in gross profit is mainly attributable to the conclusion of fitting out projects and variation orders with higher margin during the six months ended 30 June 2026 compared to the corresponding period of 2025.

The Group’s core construction services segment continued to be the primary revenue driver, contributing MOP126.5 million or 98.9% of total revenue. During the Review Period, the Group was awarded 9 new fitting-out works projects. As at 30 June 2026, the Group had 18 on-going fitting out works projects (either in progress or yet to commence or substantially completed but pending finalisation or agreement of the final accounts).

The revenue decrease during the Review Period reflects the timing of project execution rather than a contraction in the Group’s overall workload. Revenue from fitting-out works decreased by approximately MOP40.6 million, of which approximately MOP33.7 million is attributable to the absence of revenue from the Group’s Hong Kong fitting-out work, which contributed revenue in the corresponding period of 2025 and was completed prior to the Review Period. Revenue from fitting-out works in Macau decreased by approximately MOP6.9 million or approximately 5.2%. A significant portion of the newly awarded projects was at an early stage of execution as at 30 June 2026, and accordingly contributed limited revenue during the Review Period.

Construction services remained the Group’s principal business, contributing approximately MOP126.5 million or 98.9% of revenue. Revenue from the sales of construction materials was approximately MOP1.3 million, a decrease of approximately MOP2.5 million or 66.3%, reflecting weaker demand for construction materials during the Review Period. The provision of investment management and advisory services contributed revenue of approximately MOP98,000. Both of these activities remain at an early stage and their contribution to the Group’s results was not material.

The Group has established a subsidiary in Malaysia with a view to exploring opportunities in construction and new materials trading in Southeast Asia. The entity had not generated any revenue during the Review Period and the Group has not committed material resources to this initiative to date.

OUTLOOK AND PROSPECTS

Macau’s tourism and gaming sectors recorded overall growth during the first half of 2026. According to the Statistics and Census Service, visitor arrivals for the first six months of 2026 were approximately 20.94 million, an increase of approximately 9.0% year-on-year. According to the Gaming Inspection and Coordination Bureau, gross gaming revenue for the same period was approximately MOP126.90 billion, an increase of approximately 6.8% year-on-year.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK AND PROSPECTS (Continued)

The Group's near-term focus is on the orderly execution of its order book of approximately MOP224.9 million. Timely execution, cost control and the certification and collection of amounts due on these projects will be the principal determinants of the Group's results for the remainder of 2026 and for 2027.

Certain integrated resort operators have announced further development and refurbishment programmes in Macau, and the gaming concessionaires have non-gaming investment obligations under their concessions. If implemented, these programmes may generate demand for fitting-out and construction services, and the Group intends to continue tendering for integrated resort, government and private sector work. The timing, scale and award of such projects are determined by the relevant operators and authorities and are outside the Group's control, and there is no assurance that the Group will be awarded any particular project. Competition in the Macau fitting-out market remains intense and continues to place pressure on tender pricing.

The Group will continue to develop its construction materials trading business, which is intended to complement the core construction business. This business currently operates at a small scale and on modest margins, and its future contribution will depend on demand, transaction volumes and procurement costs.

In the financial services business, the Group holds SFC Type 4 (advising on securities) and Type 9 (asset management) licences and aims to develop advisory and asset management mandates over time. The business remains at an early stage with a very small revenue base and will require continued investment in personnel and compliance infrastructure before it can make a meaningful contribution.

To develop the Group for sustainable long-term growth, we will continue to evaluate strategic acquisition opportunities and partnerships that complement our existing capabilities and expand our market reach. The Board intends to maintain a cautious approach to new commitments.

FINANCIAL REVIEW

Revenue

The table below sets forth a breakdown of the Group's revenue for the six months ended 30 June 2026 and 2025:

	Six months ended 30 June			
	2026		2025	
	MOP'000	%	MOP'000	%
Provision of fitting-out works	126,544	98.9	167,117	97.8
Sales of construction materials	1,254	1.0	3,717	2.2
Provision of investment management and advisory services	98	0.1	—	—
Total	127,896	100.0	170,834	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (Continued)

Revenue (Continued)

During the Review Period, the Group's revenue decreased by approximately MOP42.9 million or 25.1% as compared with the corresponding period last year. This contraction was primarily attributable to lower revenue recognition from fitting-out works, reflecting both the completion of Hong Kong projects which contributed to the prior period and the early stage of execution of several newly awarded Macau contracts as at 30 June 2026, which together accounted for a decline of approximately MOP40.6 million or 24.3%. The overall performance was further impacted by the softened demand in the sales of construction materials within the Greater Bay Area, representing a revenue decrease of approximately MOP2.5 million or 66.3%.

Gross profit and gross profit margin

The following table sets forth a breakdown of the Group's gross profit and gross profit margin by types of revenue for the six months ended 30 June 2026 and 2025:

	Six months ended 30 June			
	2026		2025	
	Gross profit MOP'000	Gross profit margin %	Gross profit MOP'000	Gross profit margin %
Provision of fitting-out works	13,186	10.4	9,865	5.9
Sales of construction materials	135	10.8	308	8.3
Provision of investment management and advisory services	98	100.0	—	—
Total	13,419	10.5	10,173	6.0

During the Review Period, the Group's gross profit increased by approximately MOP3.2 million when compared with the corresponding period last year. The overall gross profit margin increased by 4.5 percentage points from approximately 6.0% for the six months ended 30 June 2025 to 10.5% for the six months ended 30 June 2026.

This growth was primarily driven by higher gross profit recognition from the work done on fitting-out projects, which contributed an increase of approximately MOP3.3 million or 33.7%. This reflected the completion of certain projects and the agreement of variation orders at margins higher than those recorded in the corresponding period, and the absence of lower-margin work carried out in the corresponding period. The gross profit margin on sales of construction materials increased by 2.5 percentage points to approximately 10.8%.

Other income

For the six months ended 30 June 2026, the other income of approximately MOP2.6 million mainly consisted of the bank interest income which amounted to approximately MOP2.5 million. For the six months ended 30 June 2025, the other income of approximately MOP2.9 million mainly consisted of the bank interest income. The decrease was mainly attributable to the decrease in bank interest.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (Continued)

Other gains and losses

For the six months ended 30 June 2026, the other gains of approximately MOP1.8 million mainly contributed to the increase of net exchange gains and the gains from the fair value change of the financial asset at FVTPL. For the six months ended 30 June 2025, the other gains of approximately MOP0.9 million mainly consisted of net exchange gains and the gains from the fair value change of the financial asset at FVTPL.

Impairment losses under expected credit loss model, net of reversal

The impairment losses primarily comprised expected credit loss allowances on trade receivables, other receivables and contract assets. Such losses increased by approximately MOP1.2 million as compared with the corresponding period last year. This increase was mainly attributable to the growth in the outstanding balances of trade receivables and contract assets, in view of the newly awarded and completed fitting-out projects during the Review Period.

Administrative expenses

Administrative expenses increased by approximately MOP2.4 million from approximately MOP13.5 million for the six months ended 30 June 2025 to approximately MOP15.9 million for the six months ended 30 June 2026. The increase was mainly attributable to the expansion of the Hong Kong and Malaysia market.

Profit for the period

The profit for the six months ended 30 June 2026 was approximately MOP0.5 million which remained flat as compared to the six months ended 30 June 2025. Such result was mainly due to the combined effect of the aforementioned items.

Dividend

No dividend was paid, declared or proposed during the six months ended 30 June 2026. The directors of the Company have not recommended the payment of an interim dividend for both interim periods.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and financial resources

The Group's capital expenditure and daily operations during the six months ended 30 June 2026 were mainly funded by cash generated from its operations and bank borrowings.

The total cash and bank balances together with the pledged bank deposits as at 30 June 2026 was approximately MOP133 million, compared to approximately MOP146 million as at 31 December 2025. The decrease of approximately MOP13 million was mainly related to the operating cash outflow.



MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE FINANCE AND RISK MANAGEMENT (Continued)

Liquidity and financial resources (Continued)

Our gearing ratio (calculated as debt over total equity) as at 30 June 2026 was 29.5% (31 December 2025: 6.7%) which was mainly attributable to the increase in bank overdraft and borrowings by approximately MOP45.0 million.

As at 30 June 2026, the Group had unutilised banking facilities of approximately MOP117.0 million (31 December 2025: MOP161.9 million).

The current ratio of our Group as at 30 June 2026 was 1.7 times (31 December 2025: 2.1 times).

Capital structure

The capital structure of the Group consists of equity attributable to the owners of the Company comprising issued share capital, share premium, legal reserve, share-based payments reserve, exchange reserve, other reserve and retained earnings. There has been no change in the capital structure of the Group during the six months ended 30 June 2026.

Future plans for material investments and capital assets

Save as disclosed in the prospectus of the Company dated 27 August 2018 and in this report, the Group did not have other plans for material investments or capital assets.

Pledge of assets

As at 30 June 2026, the Group's office premises of approximately MOP33.0 million (31 December 2025: MOP33.7 million) and certain bank deposits of approximately MOP74.4 million (31 December 2025: MOP74.3 million) were pledged with banks to secure the banking facilities including performance guarantees and bid bonds issued by the banks.

Capital commitment

As at 30 June 2026, the Group has an obligation to settle an amount of Renminbi ("RMB") 37.0 million (equivalent to approximately MOP44.0 million) as a capital contribution to Jiangmen Jinying Construction and Engineering Company Limited (31 December 2025: RMB38.0 million (equivalent to approximately MOP43.6 million)).

Significant investments, acquisition and disposals

The Group did not make any significant investment, acquisition or disposal during the Review Period. The acquisition of a Hong Kong company holding SFC Type 4 (advising on securities) and Type 9 (asset management) licences was completed in March 2025.



MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE FINANCE AND RISK MANAGEMENT (Continued)

Exposure to exchange rate fluctuation

The Group entities collect most of its revenue and incur most of its expenditures in their respective functional currencies. The Group is exposed to currency risks primarily through purchase of raw materials, sale proceeds received from its customers, and investments in other financial assets that are denominated in a currency other than the Group's functional currency. The currencies giving rise to this risk are primarily HK\$, RMB and United States dollars. The Group currently does not have a foreign currency hedging policy. However, the management regularly monitors the relevant foreign currency exposure and will consider taking appropriate measures to control the risk arising from significant exchange fluctuations.

Employee and remuneration policies

As at 30 June 2026, the Group had 141 (31 December 2025: 116) full time employees. The increase in the number of employees was mainly due to the increasing needs of resources to support the newly awarded fitting out works projects in the Macau market. The Group adjusted the number of direct labour based on the progress and expected workload of our construction works and the expected completion dates of work projects.

The remuneration package offered to employees includes salary and other employee benefits such as bonus. In general, the Group determines the salaries of its employees based on their individual performance, qualifications, position and seniority. The Group conducts annual salary and promotion review in order to attract and retain employees. In addition, the Group provides various types of training to its employees to promote overall efficiency, employee loyalty and retention. Total staff costs for the period ended 30 June 2026 were approximately MOP14.8 million (30 June 2025: MOP14.5 million).

Compliance with laws and regulations

The Group mainly carries out its business in Macau, Hong Kong and the PRC. To the best of the Directors' knowledge, the Group has complied with all relevant laws and regulations in Macau, Hong Kong and the PRC during the six months ended 30 June 2026.

Principal risks and uncertainties

The Group believes that the risk management practices are important and uses its best efforts to ensure it is sufficient to mitigate the risks present in our operations and financial position as efficiently and effectively as possible.

- Material changes in the cost of construction materials and labour costs may result in cost overrun, which could materially affect our results of operation and financial performance;
- Mismanagement or delay of our projects will materially affect our reputation and also our financial performance as penalties and/or additional costs may be incurred;
- Cash flow of our projects may fluctuate;



MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE FINANCE AND RISK MANAGEMENT (Continued)

Principal risks and uncertainties (Continued)

- We rely on subcontractors to help complete our projects. Underperformance by our subcontractors or unavailability of subcontractors may adversely affect our operations, profitability and reputation;
- Our success significantly depends on the key management and our ability to attract and retain technical and management staff; and
- The uncertainties on the worldwide economy due to the tension between the PRC, the United States and the European Union.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event regarding the disclosure that has taken place subsequent to 30 June 2026 and up to the date of this report.

DIRECTORS' AND THE CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2026, the interests or short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, 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**") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), were set out below:

Name of director	Capacity/ Nature of interest	Number of ordinary shares (Note 1)	Approximate percentage of shareholding in the Company
Mr. Ip Kin Wa	Beneficial owner	60,000,000 (L)	10%

Note: The letter "L" denotes the director's long position in the shares.

Save as disclosed above, none of the directors, chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations as defined in Part XV of the SFO as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at the date of this report.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES, AND DEBENTURES OF THE COMPANY

As at 30 June 2026, so far as was known to any Directors or chief executive of the Company, the interests (other than those of Directors and the chief executive) of which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who were deemed to be directly or indirectly interested in 5% or more of the issued capital of the Company, or which were recorded in the register of interests required to be kept under Section 336 of the SFO or have notified to the Company were as follows:

Name of Shareholders	Capacity/ Nature of interest	Number of ordinary shares (Note 1)	Approximate percentage of shareholding in the Company
Mr. Lao Chio Seng ("Mr. Lao") (Note 2)	Interest in a controlled corporation and interest of spouse	390,000,000 (L)	65%
Mrs. Lao (Note 3)	Interest in a controlled corporation and interest of spouse	390,000,000 (L)	65%
Laos International (Note 4)	Beneficial owner	255,000,000 (L)	42.5%
WHM Holdings (Note 5)	Beneficial owner	135,000,000 (L)	22.5%

Notes:

- The letter "L" denotes the substantial shareholders' long position in the shares.
- Shares in which Mr. Lao is interested consist of (i) 255,000,000 shares held by Laos International Holdings Limited ("Laos International"), a company wholly owned by Mr. Lao, in which Mr. Lao is deemed to be interested under the SFO; and (ii) 135,000,000 shares held by his spouse, Ms. Wong Hio Mei ("Mrs. Lao") (through her wholly-owned corporation, WHM Holdings Limited ("WHM Holdings"), in which Mr. Lao is deemed to be interested in such Shares under the SFO.
- Shares in which Mrs. Lao is interested consist of (i) 135,000,000 shares held by WHM Holdings, a company wholly owned by Mrs. Lao, in which Mrs. Lao is deemed to be interested under the SFO; and (ii) 255,000,000 shares held by her spouse, Mr. Lao, in which Mrs. Lao is deemed to be interested in such shares under the SFO.
- Laos International is wholly owned by Mr. Lao, the controlling shareholder of the Company.
- WHM Holdings is wholly owned by Mrs. Lao, the controlling shareholder of the Company.

Save as disclosed above, as at 30 June 2026, no person had registered an interest or short position in the Shares or underlying Shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

SHARE OPTION SCHEMES

The Company adopted a share option scheme on 17 August 2018, which became effective on 10 September 2018 and will remain valid until 16 August 2028. Details of the Share Option Scheme are set out in the Company's 2025 Annual Report.

No share options were outstanding as at 1 January 2026 and 30 June 2026, and no share options were granted, exercised, cancelled, forfeited or lapsed during the six months ended 30 June 2026.

The number of options available for grant under the Share Option Scheme was 57,000,000 as at both 1 January 2026 and 30 June 2026. The number of shares that may be issued in respect of options granted under the Share Option Scheme during the period divided by the weighted average number of issued shares for the period was nil.

CONTINGENT LIABILITIES

On 20 February 2023, Lap Polly Engineering Company Limited received a notice of arbitration regarding to an alleged claim by joint and several liquidators. The alleged claim arose from disputes prior to the acquisition of Lap Polly on 10 September 2019. As at 30 June 2026, taken into account the advice of an independent legal advisor, the management of the Group considered that the potential legal risk to the Group arising from the claim is considered as low.

CORPORATE GOVERNANCE

The Company has applied the principles and the code provisions set out in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange as its own code of corporate governance. During the six months ended 30 June 2026 and up to the date of this report, to the best knowledge of the Board, except the deviation from code provision C.2.1 of the CG Code, the Company has complied with all the mandatory disclosure requirements and the applicable code provisions as set out in the section headed "Part 2 — Principles of good corporate governance, code provisions and recommended best practices" in the CG Code.

Pursuant to the code provision C.2.1 of the CG Code, which stipulates that the roles of the chairman and chief executive should be separate and should not be performed by the same individual. Following the appointment of Ms. Lao Chao U ("**Ms. Lao**") as the chairlady of the Board in December 2025, Ms. Lao assumed the dual roles of the chairlady of the Board and CEO of the Company. After evaluation of the current situation of the Company and taking into account the experience and past performance of Ms. Lao, the Board is of the opinion that it is appropriate at the present stage for Ms. Lao to hold both positions as the chairlady of the Board and CEO of the Company as this helps maintain the continuity of policies and the stability of the operations of the Company, and this structure can ensure the Company has consistent leadership. In addition, under the supervision by the Board, which consist of four executive directors and three independent non-executive directors, the interests of the shareholders of the Company are adequately and fairly represented. Also, as all major decisions are made in consultation with and approved by the members of the Board, the Board believes that this arrangement does not have a negative influence on the balance of power and authorisation between the Board and the management of the Company. Therefore, the Board considers the deviation from the code provision C.2.1 of the CG Code is appropriate under such circumstances.



OTHER INFORMATION

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

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

AUDIT COMMITTEE

The Company established an audit committee on 17 August 2018 in compliance with Rule 3.21 of the Listing Rules. Written terms of reference in compliance with paragraph D.3.3 of the CG Code have been adopted and are available on the websites of the Stock Exchange and the Company. The primary roles of the audit committee include, but are not limited to, (a) making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor; (b) monitoring the integrity of the financial statements and reviewing significant financial reporting judgements contained in them; and (c) reviewing financial controls, internal control and risk management systems. The audit committee consists of three independent non-executive directors, namely Mr. O'Yang Wiley, Mr. Chu Yat Pang Terry and Mr. Choy Wai Shek, Raymond, *MH, JP*. Mr. O'Yang Wiley is the chairman of the audit committee.

The unaudited condensed consolidated financial statements for the six months ended 30 June 2026 have been reviewed by the audit committee and the Group's auditor, Baker Tilly Hong Kong Limited.

By order of the Board

Lao Chao U

Chairlady and Executive Director

Macau, 28 August 2026



REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



To the shareholders of AB Builders Group Limited
奧邦建築集團有限公司
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of AB Builders Group Limited (the “Company”) and its subsidiaries set out on pages 17 to 37, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 28 August 2026

Li Man Chun Jesse

Practising certificate number P08302

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

Six months ended 30 June			
	Notes	2026 MOP'000 (unaudited)	2025 MOP'000 (unaudited)
Revenue	3	127,896	170,834
Cost of sales		(114,477)	(160,661)
Gross profit		13,419	10,173
Other income	5	2,552	2,892
Other gains and losses		1,751	942
Impairment losses under expected credit loss model, net of reversal	13	(451)	740
Administrative expenses		(15,903)	(13,513)
Finance costs		(252)	(396)
Profit before taxation		1,116	838
Income tax expense	6	(635)	(362)
Profit for the period	7	481	476
Other comprehensive income for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		188	236
Total comprehensive income for the period		669	712
Profit for the period attributable to:			
Owners of the Company		446	314
Non-controlling interests		35	162
		481	476
Total comprehensive income for the period attributable to:			
Owners of the Company		634	550
Non-controlling interests		35	162
		669	712
Earnings per share	9	MOP cents	MOP cents
— Basic and diluted		0.07	0.05

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	As at 30 June 2026 MOP'000 (unaudited)	As at 31 December 2025 MOP'000 (audited)
Non-current assets			
Property, plant and equipment		33,299	33,922
Right-of-use assets	10	465	1,011
Intangible assets		514	900
Goodwill		1,462	1,462
Financial assets at fair value through profit or loss ("FVTPL")	19	17,436	16,041
Other financial assets		32,297	32,052
		85,473	85,388
Current assets			
Inventories		217	—
Trade and other receivables	11	68,196	32,964
Contract assets	12	77,671	31,440
Pledged bank deposits		74,407	74,281
Bank balances and cash		58,673	71,402
		279,164	210,087
Current liabilities			
Trade and other payables	14	106,765	83,101
Tax payable		1,639	1,046
Bank borrowings	15	58,233	13,272
Lease liabilities		253	778
		166,890	98,197
Net current assets		112,274	111,890
Total assets less current liabilities		197,747	197,278

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Note	As at 30 June 2026 MOP'000 (unaudited)	As at 31 December 2025 MOP'000 (audited)
Non-current liabilities			
Lease liabilities		226	330
Deferred tax liabilities		129	225
		355	555
Net assets		197,392	196,723
Capital and reserves			
Share capital	16	6,189	6,189
Reserves		208,307	207,673
Equity attributable to owners of the Company		214,496	213,862
Non-controlling interests		(17,104)	(17,139)
Total equity		197,392	196,723

The condensed consolidated financial statements on pages 17 to 37 were approved and authorised for issue by the board of directors on 28 August 2026 and are signed on its behalf by:

Lao Chao U
Director

Cheang Iek Wai
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to owners of the Company									Total MOP'000
	Share capital MOP'000	Share premium MOP'000	Legal reserve MOP'000 (Note (i))	Share- based payments reserve MOP'000	Exchange reserve MOP'000	Other reserve MOP'000 (Note (ii))	Retained earnings MOP'000	Sub-total MOP'000	Non- controlling interests MOP'000	
At 1 January 2025 (audited)	6,189	82,564	6,000	272	(998)	(86,724)	204,340	211,643	(17,310)	194,333
Profit for the period	—	—	—	—	—	—	314	314	162	476
Exchange differences arising on translation of foreign operations	—	—	—	—	236	—	—	236	—	236
Total comprehensive income for the period	—	—	—	—	236	—	314	550	162	712
At 30 June 2025 (unaudited)	6,189	82,564	6,000	272	(762)	(86,724)	204,654	212,193	(17,148)	195,045
At 1 January 2026 (audited)	6,189	82,564	6,000	—	(680)	(86,724)	206,513	213,862	(17,139)	196,723
Profit for the period	—	—	—	—	—	—	446	446	35	481
Exchange differences arising on translation of foreign operations	—	—	—	—	188	—	—	188	—	188
Total comprehensive income for the period	—	—	—	—	188	—	446	634	35	669
At 30 June 2026 (unaudited)	6,189	82,564	6,000	—	(492)	(86,724)	206,959	214,496	(17,104)	197,392

Notes:

- (i) In accordance with the Article 377 of the Commercial Code of Macau Special Administrative Region, the subsidiaries registered in Macau are required to transfer part of their profits of each accounting period of not less than 25% to legal reserve, until the amount reaches an amount equal to half of the respective share capital.
- (ii) Other reserve includes (a) deemed distribution made to Mr. Lao Chio Seng ("**Mr. Lao**"), controlling shareholder of the Company, resulting from the provision of interest-free loans to Mr. Lao and an entity controlled by Mr. Lao in prior years of MOP85,599,000; and (b) a net loss on disposal of subsidiaries and a joint venture of MOP1,125,000 to companies controlled by Mr. Lao and Ms. Wong Hio Mei ("**Mrs. Lao**"), spouse of Mr. Lao, arising as part of a group reorganisation completed in September 2017, which were regarded as equity transactions. Mr. Lao and Mrs. Lao are the ultimate controlling shareholders of the Company.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026 MOP'000 (unaudited)	2025 MOP'000 (unaudited)
Operating cash flows before movements in working capital	(107)	1,004
Increase in inventories	(217)	—
Increase in trade and other receivables	(35,622)	(26,496)
(Increase) decrease in contract assets	(46,289)	42,194
Increase in trade and other payables	23,647	23,962
Cash (used in) generated from operations	(58,588)	40,664
Income tax paid	(138)	—
Net cash (used in) from operating activities	(58,726)	40,664
Investing activities		
Interest received	2,504	1,719
Placement of pledged bank deposits	(126)	(192)
Purchase of property, plant and equipment	(112)	(18)
Net cash outflow on acquisition of a subsidiary	—	(1,484)
Purchase of financial assets at FVTPL	—	(2,011)
Net cash from (used in) investing activities	2,266	(1,986)
Financing activities		
Repayment of bank overdrafts	(303)	(8,154)
Drawdown of bank overdrafts	5,551	350
Capital element of lease liabilities paid	(408)	(379)
Interest element of lease liabilities paid	(22)	(50)
Bank interest paid	(213)	(346)
New bank borrowing raised	39,713	—
Net cash from (used in) financing activities	44,318	(8,579)
Net (decrease) increase in cash and cash equivalents	(12,142)	30,099
Cash and cash equivalents at the beginning of the period	71,402	44,581
Effect of foreign exchange rate changes	(587)	(551)
Cash and cash equivalents at the end of period, representing by bank balances and cash	58,673	74,129



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1 GENERAL INFORMATION AND BASIS OF PREPARATION

AB Builders Group Limited (the “**Company**”) was incorporated in the Cayman Islands with limited liability on 23 February 2017 and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 10 September 2018.

The Company acts as investment holding company and its subsidiaries are principally engaged in provision of construction services, sales of construction materials and provision of investment management and advisory services. The Company and its subsidiaries are hereinafter collectively referred to as the “**Group**”.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“**IASB**”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The presentation and functional currency of the Company is Macau Pataca (“**MOP**”).

2 ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

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

Application of amendments to IFRS Accounting Standards

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

Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>
Amendments to IFRS Accounting Standards	<i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

3 REVENUE

Revenue represents the aggregate of the amounts received and receivable for construction contracts of fitting-out works, sales of construction materials and provision of investment management and advisory services.

An analysis of the Group's revenue from contracts with customers under IFRS 15 "Revenue from Contracts with Customers" is as follow:

	Six months ended 30 June	
	2026 MOP'000 (unaudited)	2025 MOP'000 (unaudited)
Recognised over time		
Contract revenue from provision of fitting-out works	126,544	167,117
Revenue from provision of investment management and advisory services	98	—
	126,642	167,117
Recognised at a point in time:		
Revenue from sales of construction materials	1,254	3,717
Total	127,896	170,834

Fitting-out works represent performance obligations that the Group satisfies over time for each respective contract. The period of fitting-out works varies from 1 to 2 years (six months ended 30 June 2025: from 1 to 2 years).

The Group's disaggregation of revenue from contracts with customers by geographical location is same as the geographical information of revenue from external customers as disclosed in note 4.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

3 REVENUE (Continued)

Transaction price allocated to the remaining performance obligations

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

	As at 30 June 2026 MOP'000 (unaudited)	As at 31 December 2025 MOP'000 (audited)
Provision of fitting-out works	224,858	31,495

Based on the information available to the Group at the end of the reporting period, management of the Group expects the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts as of 30 June 2026 will be recognised as revenue during the years ending 31 December 2026 and 2027 in respect of provision of fitting-out works (31 December 2025: during the year ending 31 December 2026).

For sales of construction materials and provision of investment management and advisory services, the Group applies the practical expedient that information regarding the transaction prices allocated to the remaining performance obligation for contracts with customers is not disclosed as the original expected duration of the contracts are less than one year.

4 SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM"), being the Chief Executive Officer of the Group, in order for the CODM to allocate resources and to assess performance.

Specifically, the Group's only reportable segment under IFRS 8 "Operating Segments" is construction services.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

4 SEGMENT INFORMATION (Continued)

Other operating segments include sales of construction materials and provision of investment management and advisory services. None of these segments met the quantitative thresholds for the reportable segments in both current and prior periods. Accordingly, these were grouped in "Others".

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

Segment revenue and results

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

For the period ended 30 June 2026 (unaudited)

	Construction services MOP'000 (unaudited)	Others MOP'000 (unaudited)	Total MOP'000 (unaudited)
Segment revenue — external	126,544	1,352	127,896
Segment results	13,186	233	13,419
Other income and other gains and losses			4,303
Impairment losses under expected credit loss model, net of reversal			(451)
Administrative expenses			(15,903)
Finance costs			(252)
Profit before taxation			1,116

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

4 SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the period ended 30 June 2025 (unaudited)

	Construction services MOP'000 (unaudited)	Others MOP'000 (unaudited)	Total MOP'000 (unaudited)
Segment revenue — external	167,117	3,717	170,834
Segment results	9,865	308	10,173
Other income and other gains and losses			3,834
Impairment losses under expected credit loss model, net of reversal			740
Administrative expenses			(13,513)
Finance costs			(396)
Profit before taxation			838

Segment results represent the profit before taxation resulted from each segment without allocation of other income and other gains and losses, impairment losses under expected credit loss model (net of reversal), administrative expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

4 SEGMENT INFORMATION (Continued)

Geographical information

Information about the Group's revenue from external customers is presented based on the location of the operation. Information about the Group's non-current assets (excluding financial assets at FVTPL and other financial assets) is presented based on the geographical location of those assets.

	Revenue from external customers Six months ended 30 June		Non-current assets	
	2026 MOP'000 (unaudited)	2025 MOP'000 (unaudited)	At 30 June 2026 MOP'000 (unaudited)	At 31 December 2025 MOP'000 (audited)
Macau	127,667	134,297	33,069	33,811
Hong Kong	98	36,537	2,040	2,528
The People's Republic of China (the "PRC")	131	—	612	956
Malaysia	—	—	19	—
	127,896	170,834	35,740	37,295

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

5 OTHER INCOME

	Six months ended 30 June	
	2026 MOP'000 (unaudited)	2025 MOP'000 (unaudited)
Bank interest income	2,506	2,564
Others	46	328
	2,552	2,892

6 INCOME TAX EXPENSE

	Six months ended 30 June	
	2026 MOP'000 (unaudited)	2025 MOP'000 (unaudited)
Current tax		
Macau Complementary Tax	(731)	(459)
Deferred tax credit	96	97
Income tax expense	(635)	(362)

Macau Complementary Tax is calculated at 12% of the estimated assessable profits exceeding MOP600,000 for both periods.

No provision for PRC Enterprise Income Tax and Hong Kong Profits Tax have been made as the relevant group entities have no assessable profits for both periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

7 PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2026 MOP'000 (unaudited)	2025 MOP'000 (unaudited)
Profit for the period has been arrived at after charging:		
Contract costs of fitting-out works recognised as expense (Note)	113,358	157,252
Cost of inventories recognised as expense	1,119	3,409
Depreciation of property, plant and equipment	737	726
Depreciation of right-of-use assets	392	378
Amortisation of intangible assets	410	389
Expenses related to short-term leases	276	166

Note: No provision for onerous contracts was recognised or reversed against contract costs during the six months ended 30 June 2026 (six months ended 30 June 2025: reversal of provision of MOP405,000).

8 DIVIDENDS

No dividend was paid, declared or proposed during both interim periods, nor has any dividend been proposed since the end of each reporting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

9 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2026 MOP'000 (unaudited)	2025 MOP'000 (unaudited)
Profit for the period attributable to the owners of the Company	446	314

	Six months ended 30 June	
	2026 '000	2025 '000
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	600,000	600,000

The diluted earnings per share is the same as the basic earnings per share for the period ended 30 June 2026 as there were no potential dilutive ordinary shares outstanding during the period.

The computation of diluted earnings per share did not assume the exercise of Company's share options because the exercise price of those share options was higher than the average market price of shares for the period ended 30 June 2025.

10 RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, the Group entered into a new lease agreement with lease term of 2 years. On date of lease commencement, the Group recognised right-of-use asset of MOP440,000 (six months ended 30 June 2025: nil) and lease liabilities of MOP440,000 (six months ended 30 June 2025: nil). Furthermore, the Group derecognised right-of-use asset and lease liabilities of MOP594,000 (six months ended 30 June 2025: nil) and MOP661,000 (six months ended 30 June 2025: nil), respectively, in relation to early termination of a lease contract during the period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

11 TRADE AND OTHER RECEIVABLES

	At 30 June 2026 MOP'000 (unaudited)	At 31 December 2025 MOP'000 (audited)
Trade receivables, net of loss allowance	23,739	21,650
Advances paid to subcontractors and suppliers	37,009	4,314
Other receivables, prepayments and deposits (Note)	7,448	7,000
Total trade and other receivables	68,196	32,964

Note: As at 30 June 2026, included in other receivables, prepayments and deposits, an amount of Renminbi ("RMB") 593,000 (equivalent to approximately MOP705,000) (31 December 2025: RMB593,000 (equivalent to approximately MOP680,000)) is secured by an account receivable with principal amount of RMB38,687,000 (equivalent to approximately MOP45,952,000) (31 December 2025: RMB38,687,000 (equivalent to approximately MOP44,362,000)) held by the former shareholders of Jiangmen Jinying Construction and Engineering Company Limited. The amount is interest free and repayable on demand.

Trade receivables represent amounts receivable for work certified in relation to provision of fitting-out works after deduction of retention money.

The Group generally allows a credit period of 30 days (31 December 2025: 45 days) to its customers. The following is an aged analysis of trade receivables, presented based on dates of work certified at the end of the reporting period, net of loss allowance.

	At 30 June 2026 MOP'000 (unaudited)	At 31 December 2025 MOP'000 (audited)
1–30 days	22,823	5,096
31–60 days	—	3,436
61–90 days	18	11,968
Over 90 days	898	1,150
	23,739	21,650

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

12 CONTRACT ASSETS

	At 30 June 2026 MOP'000 (unaudited)	At 31 December 2025 MOP'000 (audited)
Contract assets	77,671	31,440

As at 30 June 2026, contract assets included retention receivables retained by customers for contract works amounting to MOP20,586,000 (31 December 2025: MOP16,609,000). The remaining contract assets represented amounts recognised for completed fitting-out works under construction service contracts for which certification by independent architects, surveyors or other representatives appointed by the customers had not yet been obtained.

Retention receivables represent the money retained by the Group's customers to secure the due performance of the contracts. The customers normally withhold 10% of the certified amount payable to the Group as retention money, 50% of which is normally recoverable upon completion of respective project and the remaining 50% is recoverable after the completion of defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, ranging from 3 months to 2 years from the date of completion of respective projects. The amount is unsecured and interest-free.

13 IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Six months ended 30 June	
	2026 MOP'000 (unaudited)	2025 MOP'000 (unaudited)
Impairment loss recognised (reversed) on:		
Trade receivables	373	112
Other receivables	19	(2)
Contract assets	58	(847)
Other financial assets	1	(3)
Total	451	(740)

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

14 TRADE AND OTHER PAYABLES

Trade and other payables at the end of the reporting period comprise amounts outstanding for trade purposes and daily operating costs. The credit period on trade purchases is from 7 to 60 days (31 December 2025: from 7 to 60 days).

	At 30 June 2026 MOP'000 (unaudited)	At 31 December 2025 MOP'000 (audited)
Trade payables	27,362	4,480
Retention payables	33,507	32,829
Accrued contract costs	38,143	37,567
Provision of onerous contracts	684	684
Accruals and other payables	7,069	7,541
Total trade and other payables	106,765	83,101

The following is an aged analysis of trade payables, presented based on the dates of work certified at the end of the reporting period:

	At 30 June 2026 MOP'000 (unaudited)	At 31 December 2025 MOP'000 (audited)
1–30 days	24,857	2,349
Over 30 days	2,505	2,131
	27,362	4,480

Retention payables to sub-contractors of contract works are interest-free and payable by the Group after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts, ranging from 3 months to 2 years from the completion date of the respective service contracts.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

15 BANK BORROWINGS

	At 30 June 2026 MOP'000 (unaudited)	At 31 December 2025 MOP'000 (audited)
Bank overdrafts, secured	18,520	13,272
Bank loans, secured	39,713	—
	58,233	13,272
Carrying amounts repayable within one year and included under current liabilities (with repayable-on-demand clauses)	58,233	13,272

Bank overdrafts as at 30 June 2026 and 31 December 2025 are repayable on demand and secured by owned properties included in property, plant and equipment and pledged bank deposits, and bear interest ranging from 2.0% to 3.0% (31 December 2025: 3.0% to 3.6%) per annum. Such bank overdrafts do not form an integral part of the Group's cash management.

As at 30 June 2026, the bank loans represented amounts drawn under banking facilities of HK\$100,000,000 available to the Group. The bank loans were denominated in Hong Kong dollars and carried interest at the fixed deposit rate plus 0.5% per annum, with an effective interest rate of 3.0% per annum. The banking facilities, which provide the Group with additional funding support and financial flexibility, were secured by a promissory note of HK\$110,000,000 and pledged bank deposits.

16 SHARE CAPITAL

	Number of shares '000	Share capital MOP'000
Ordinary shares of Hong Kong dollars 0.01 each		
Authorised:		
At 1 January 2025 (audited), 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	10,000,000	103,150
Issued and fully paid:		
At 1 January 2025 (audited), 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	600,000	6,189



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

17 PERFORMANCE GUARANTEES

As at 30 June 2026, performance guarantees of MOP10,446,000 (31 December 2025: MOP10,446,000) were given by a bank in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance guarantees have been given, such customers may demand the bank to pay to them the sum or sum stipulated in such demand. The Group will become liable to compensate such bank accordingly. The performance guarantees will be released upon completion of the contract works. The performance guarantees were granted under the banking facilities of the Group which were secured by:

- (i) a legal charge over the office premises of the Group with carrying amount of MOP33,018,000 (31 December 2025: MOP33,720,000); and
- (ii) pledged bank deposits of MOP50,306,000 (31 December 2025: MOP74,281,000).

Management of the Group does not consider it is probable that a claim will be made against the Group in respect of the above performance guarantees.

18 RELATED PARTY TRANSACTIONS

Save for the remuneration of key management personnel as disclosed below, the Group had no other significant transactions and balances with related party during the six months ended 30 June 2026 and 2025.

Remuneration of key management personnel

The remuneration of key management personnel (including the directors of the Company) of the Group during the period is as follows:

	Six months ended 30 June	
	2026 MOP'000 (unaudited)	2025 MOP'000 (unaudited)
Fee	325	371
Salaries and other allowances	2,437	2,731
Retirement benefits scheme contributions	13	4
	2,775	3,106

The remuneration of key management personnel is determined with regard to the performance of individuals and market trends.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

19 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial assets	Fair values as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
	30 June 2026 MOP'000 (unaudited)	31 December 2025 MOP'000 (audited)			
Financial assets at FVTPL					
— Unlisted investment fund	15,425	14,030	Level 3	Discounted cash flow approach with key inputs of discount rate (31 December 2025: Market approach with key inputs of discount for lack of marketability (" DLOM ") (Note 2)	Discount rate of 4.35% (31 December 2025: DLOM of 15.3%) (Note 1)
— Unlisted investment fund	2,011	2,011	Level 3	Market approach based on the recent transaction price	Multiples used in the recent transaction price (Note 3)

Notes:

1. An increase in the discount rate used in isolation would result in a decrease in the fair value measurement, and vice versa. An increase in the DLOM used in isolation would result in a decrease in the fair value measurement, and vice versa.
2. During the period, the valuation approach for an unlisted investment fund subject to a contractual repurchase arrangement was changed from the market approach to the discounted cash flow approach. As the repurchase consideration and related interest are contractually determinable, management considered that discounting these contractual cash flows provides a more appropriate measure of its fair value.
3. The fair value of the unlisted investment fund is based on a recent transaction price which involved significant unobservable inputs. The higher the multiples used in the recent transaction price, the higher the fair value.

There were no transfers into or out of Level 3 during the period.

The fair values of financial assets, except for financial asset at FVTPL, and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

19 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Reconciliation of Level 3 fair value measurements of financial assets

	MOP'000
At 1 January 2025 (audited)	11,585
Change in fair value	231
Exchange adjustments	364
Purchased	2,011
At 30 June 2025 (unaudited)	14,191
At 1 January 2026 (audited)	16,041
Change in fair value	892
Exchange adjustments	503
At 30 June 2026 (unaudited)	17,436

20 CONTINGENT LIABILITIES

On 20 February 2023, Lap Polly Engineering Company Limited ("Lap Polly") received a notice of arbitration regarding to an alleged claim by joint and several liquidators. The alleged claim arose from disputes prior to the acquisition of Lap Polly on 10 September 2019. As at 30 June 2026, taken into account the advice of an independent legal advisor, the management of the Group considered that the potential legal risk to the Group arising from the claim is considered as low.

21 CAPITAL COMMITMENTS

At the end of the reporting period, the outstanding capital commitments of the Group not provided for in the financial statements were as follows:

	At 30 June 2026 MOP'000 (unaudited)	At 31 December 2025 MOP'000 (audited)
Commitments in respect of investments in subsidiaries — authorised and contracted for	43,949	43,575

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2026 MOP'000 (unaudited)	2025 MOP'000 (unaudited)
Results		
Revenue	127,896	170,834
Cost of sales	(114,477)	(160,661)
Gross profit	13,419	10,173
Profit before taxation	1,116	838
Profit for the period	481	476
	At 30 June 2026 MOP'000 (unaudited)	At 31 December 2025 MOP'000 (audited)
Assets and liabilities		
Total assets	364,637	295,475
Total liabilities	(167,245)	(98,752)
Net assets	197,392	196,723

AB BUILDERS GROUP LIMITED
奧邦建築集團有限公司