2025
Annual Report

建榮地基
KIN WING

CHINNEY KIN WING HOLDINGS LIMITED
建業建榮控股有限公司*

(Incorporated in Bermuda with limited liability)

Stock Code : 1556

* for identification purpose only

CONTENTS

Corporate Information	2
Notice of Annual General Meeting	4
Chairman's Statement	10
Biographies of Directors and Senior Management	12
Corporate Governance Report	18
Report of the Directors	31
Independent Auditor's Report	42
Consolidated Statement of Profit or Loss	48
Consolidated Statement of Comprehensive Income	49
Consolidated Statement of Financial Position	50
Consolidated Statement of Changes in Equity	52
Consolidated Statement of Cash Flows	53
Notes to the Financial Statements	55

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Yuen-Keung CHAN *(Chairman)*
James Sing-Wai WONG
Wing-Sang YU *(Managing Director)*
Philip Bing-Lun LAM
Hon-Man WAI
Hoi-Fan LAM

Independent Non-Executive Directors

Siu-Chee KONG
Ivan Ti-Fan PONG
Robert Che-Kwong TSUI
Kit-Sum LING

AUDIT COMMITTEE

Siu-Chee KONG *(Chairman)*
Ivan Ti-Fan PONG
Robert Che-Kwong TSUI
Kit-Sum LING

REMUNERATION COMMITTEE

Robert Che-Kwong TSUI *(Chairman)*
Ivan Ti-Fan PONG
Yuen-Keung CHAN

NOMINATION COMMITTEE

Ivan Ti-Fan PONG *(Chairman)*
Robert Che-Kwong TSUI
Yuen-Keung CHAN
James Sing-Wai WONG
Siu-Chee KONG
Kit-Sum LING

COMPANY SECRETARY

Anthony Ding-Him YU

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
The Bank of East Asia, Limited
Hang Seng Bank Limited
Shanghai Commercial Bank Limited
Bank of China (Hong Kong) Limited
China Construction Bank (Asia) Corporation Limited
Chong Hing Bank Limited

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 2308, 23/F
Wing On Centre
111 Connaught Road Central
Hong Kong

STOCK CODE

SEHK 01556

BUSINESS ADDRESSES AND CONTACTS

Chinney Kin Wing Holdings Limited

Room 2308, 23/F
Wing On Centre
111 Connaught Road Central
Hong Kong

Tel	:	(852) 2877-3307
Fax	:	(852) 2877-2035
Website	:	http://www.chinneykinwing.com.hk
E-mail	:	enquiry@chinneykinwing.com.hk

Kin Wing Engineering Company Limited
Kin Wing Foundations Limited
CKW Machinery Limited

Block A&B, 9th Floor
Hong Kong Spinners Industrial Building, Phase VI
481-483 Castle Peak Road
Kowloon
Hong Kong

Tel	:	(852) 2415-6509
Fax	:	(852) 2490-0173
Website	:	http://www.kinwing.com.hk
E-mail	:	kwecoltd@kinwing.com.hk

Everest Engineering Company Limited

Block A&B, 8th Floor
Hong Kong Spinners Industrial Building, Phase VI
481-483 Castle Peak Road
Kowloon
Hong Kong

Tel	:	(852) 2415-6509
Fax	:	(852) 2490-0173
Website	:	http://www.everestengineering.com.hk
E-mail	:	info@everestengineering.com.hk

Kinwing Engineering (Macau) Company Limited

Alameda Dr. Carlos D'Assumpção
nºs 411-417, Praça Wong Chio
5º andar D-G
em Macau

Tel	:	(853) 2871-5564
		(853) 2871-5718
Fax	:	(853) 2871-3948

DrilTech Ground Engineering Limited
DrilTech Geotechnical Engineering Limited

Block A&B, 8th Floor
Hong Kong Spinners Industrial Building, Phase VI
481-483 Castle Peak Road
Kowloon
Hong Kong

Tel	:	(852) 2371-0008
Fax	:	(852) 2744-1037
Website	:	http://www.driltech.com.hk
E-mail	:	driltech@driltech.com.hk

DrilTech Ground Engineering (Macau) Limited

Alameda Dr. Carlos D'Assumpção
nºs 411-417, Praça Wong Chio
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em Macau

Tel	:	(853) 2871-5564
		(853) 2871-5718
Fax	:	(853) 2871-3948

DrilTech Ground Engineering (Singapore) Pte. Ltd.

80 Robinson Road
#25-00
Singapore 068898

Tel	:	(65) 6534-5755
Fax	:	(65) 6534-5766

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Chinney Kin Wing Holdings Limited (the "Company", collectively with its subsidiaries, the "Group") will be held on Wednesday, 3 June 2026 at 10:30 a.m. at Artyzen Club, 401A, 4/F Shun Tak Centre (near China Merchants Tower), 200 Connaught Road Central, Hong Kong for the following purposes:

1. To receive and consider the audited financial statements of the Company for the year ended 31 December 2025 together with the reports of the directors and the independent auditor thereon.

2. To declare a final dividend for the year ended 31 December 2025.

3. To re-elect directors of the Company (the "Directors") and to authorise the board of Directors (the "Board") to fix the directors' remuneration.

4. To re-appoint auditor and to authorise the Board to fix their remuneration.

5. To consider as special business and, if thought fit, pass with or without amendments the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

"**THAT**:

(a) subject to paragraph (c) below, a general mandate be and is hereby unconditionally granted to the directors of the Company to exercise during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers;

(b) the mandate in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the mandate in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted and approved by the shareholders of the Company for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) an issue of shares as scrip dividends or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company; or (iv) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed twenty per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution, and the said mandate shall be limited accordingly; and

(d) for the purpose of this Resolution,

"Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held; or

(iii) the date of the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this Resolution.

"Rights Issue" means an offer of shares in the Company, or an offer of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the directors of the Company to the holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company, after making enquiry, may deem necessary or expedient in relation to fractional entitlements or having regard to any legal restrictions under the laws of the relevant place, or the requirements of the relevant regulatory body or any stock exchange in that place)."

By Order of the Board
Anthony Ding-Him Yu
Company Secretary

Hong Kong, 29 April 2026

Notes:

(1) A shareholder entitled to attend and vote at the AGM (and at any adjournment thereof) is entitled to appoint another person as his proxy to attend and vote instead of the shareholder. The proxy need not be a shareholder of the Company.

(2) In order to be valid, a form of proxy in the prescribed form, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or other authority must be completed, signed and deposited with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 48 hours before the time appointed for holding the AGM (and at any adjournment thereof).

(3) Where there are joint registered holders of any shares, any one of such joint holders may vote at the AGM (and at any adjournment thereof), either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

(4) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), any vote of shareholders at a general meeting must be taken by poll and the Company must announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules. The chairman of the meeting will therefore put each of the resolutions to be proposed at the AGM to be voted by way of a poll pursuant to the Company's Bye-laws. An announcement will be made by the Company following the conclusion of the AGM to inform the results of the AGM.

Notes: (continued)

(5) With regard to resolution 3 in this notice, Mr. Philip Bing-Lun Lam ("Mr. Lam"), Mr. Hon-Man Wai ("Mr. Wai"), Mr. Hoi-Fan Lam and Mr. Ivan Ti-Fan Pong ("Mr. Pong") will retire by rotation at the AGM in accordance with bye-law 84 of the Bye-laws of the Company. Mr. Lam, Mr. Wai, Mr. Hoi-Fan Lam and Mr. Pong, being eligible, will offer themselves for re-election at the AGM.

(6) Details of the directors who stand for re-election at the AGM are set out below:

Philip Bing-Lun Lam

Aged 83, was appointed as our executive Director on 2 September 2016. Mr. Lam began his career in 1963 with Hang Seng Bank Limited for eleven years, and then joined The University of Hong Kong ("HKU") in 1975 as an Assistant Finance Director. He then worked as the Chief Accountant and Comptroller in Overseas Bank (Canada) in Vancouver for three years from 1982 to 1985. In December 1985, Mr. Lam re-joined HKU and had served as the Director of Finance from 1990 until his retirement on 30 June 2012, and had been the Honorary Advisor to the Chairman of The University of Hong Kong Foundation for Educational Development and Research until end of 2019.

Mr. Lam is a fellow of The Chartered Institute of Management Accountants (UK), the Hong Kong Institute of Certified Public Accountants, an associate of The Chartered Governance Institute (UK) (formerly The Institute of Chartered Secretaries and Administrators (UK)) and The Chartered Institute of Bankers (UK).

Mr. Lam is active in community affairs and is a member of the Board of Governors of the Canadian International School of Hong Kong.

Mr. Lam is an executive director of Chinney Alliance Group Limited (stock code: 385, "CAGL"). He was an executive director of Hon Kwok Land Investment Company, Limited (stock code: 160, "Hon Kwok") in April 2019 and subsequently re-designated to a non-executive director of Hon Kwok in July 2025. CAGL and Hon Kwok are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Mr. Lam does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) (the "SFO"). Save as disclosed above, Mr. Lam does not hold any other positions in the Company or any members of the Group, and did not hold any directorships in any listed public companies in the past three years. He does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

There is a service agreement entered into between the Company and Mr. Lam. His directorship is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Bye-laws of the Company. He is entitled to a fixed fee of HK$200,000 per annum which is based on the Company's remuneration policy adopted for executive Directors. In addition, he is also entitled to a discretionary bonus to be determined by the Board and other employment benefits provided by the Group to all eligible staff. He was entitled to a performance–related bonus of HK$3,000,000 for the year ended 31 December 2025.

Save as disclosed above, there is no information to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules, nor any other matters and information need to be brought to the attention of the shareholders of the Company or required to be disclosed pursuant to any of the requirements of the Listing Rules in respect of Mr. Lam.

Notes: (continued)

(6) *(continued)*

Hon-Man Wai

Aged 52, was appointed as our executive Director on 3 June 2023. Mr. Wai is currently the general manager and a director of Kin Wing Engineering Company Limited and Kin Wing Foundations Limited. He is also a director of DrilTech Ground Engineering Limited ("DrilTech Ground"), DrilTech Geotechnical Engineering Limited ("DrilTech Geotechnical") and Everest Engineering Company Limited, all being major subsidiaries of the Company. He is the Head of our Execution Panel and responsible for the overall management and supervision of operations of our Group, including but not limited to, tendering, project planning, project management, quality assurance, site safety and general corporate administration.

Mr. Wai has over twenty-nine years of experience in supervising and managing various foundation piling projects. He obtained a Bachelor's degree in Environmental Engineering from The Hong Kong Polytechnic University in 1996. After graduation, he joined the Group as an assistant engineer in September 1996.

Mr. Wai does not have any interests in the shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Wai does not hold any other positions in the Company or any members of the Group, and did not hold any directorships in any listed public companies in the past three years. He does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

There is a service agreement entered into between the Company and Mr. Wai. His directorship is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Bye-laws of the Company. He is entitled to a fixed fee of HK$200,000 per annum which is based on the Company's remuneration policy adopted for executive Directors. Mr. Wai has an employment contract with the Group which is terminable by either party by serving to another party three months' advance written notice. He is entitled to monthly salary and allowances of HK$245,000 which has been fixed by reference to his position, his level of responsibilities and the remuneration policy of the Group. In addition, he is also entitled to a discretionary bonus to be determined by the Board and other employment benefits provided by the Group to all eligible staff.

Save as disclosed above, there is no information to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules, nor any other matters and information need to be brought to the attention of the shareholders of the Company or required to be disclosed pursuant to any of the requirements of the Listing Rules in respect of Mr. Wai.

Hoi-Fan Lam

Aged 52, was appointed as our executive Director on 3 June 2023. Mr. Lam is currently the general manager and a director of DrilTech Ground and DrilTech Geotechnical (collectively the "DrilTech Group"). He is the head of our safety department and the DrilTech Group. He is responsible for the overall management and operations of our drilling and site investigation business.

Mr. Lam has over thirty-two years of experience in performing and supervising various site investigation works. He joined DrilTech Ground in February 1997 as a senior technician. He obtained a Bachelor's degree in Civil Engineering from Chu Hai College of Higher Education in 2009.

Mr. Lam does not have any interests in the shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Lam does not hold any other positions in the Company or any members of the Group, and did not hold any directorships in any listed public companies in the past three years. He does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Notes: (continued)

(6) *(continued)*

Hoi-Fan Lam *(continued)*

There is a service agreement entered into between the Company and Mr. Lam. His directorship is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Bye-laws of the Company. He is entitled to a fixed fee of HK$200,000 per annum which is based on the Company's remuneration policy adopted for executive Directors. Mr. Lam has an employment contract with the Group which is terminable by either party by serving to another party three months' advance written notice. He is entitled to monthly salary and allowances of HK$225,000 which has been fixed by reference to his position, his level of responsibilities and the remuneration policy of the Group. In addition, he is also entitled to a discretionary bonus to be determined by the Board and other employment benefits provided by the Group to all eligible staff.

Save as disclosed above, there is no information to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules, nor any other matters and information need to be brought to the attention of the shareholders of the Company or required to be disclosed pursuant to any of the requirements of the Listing Rules in respect of Mr. Lam.

Ivan Ti-Fan Pong

Aged 66, was appointed as our independent non-executive Director on 20 October 2015. He is also the chairman of the nomination committee of the Company. Mr. Pong obtained his Bachelor's degree in Economics (with Honours) from the University of Essex, U.K. in July 1983 and obtained his Master's degree in Business Administration from the EMBA Program of The Chinese University of Hong Kong in December 1999. He became a fellow of Hong Kong Institute of Directors (FHKIoD) since January 2020.

Mr. Pong has over thirty years of experience in the real estate investment market in Hong Kong and the People's Republic of China. Mr. Pong worked for Hon Kwok Land Investment Company, Limited and its affiliated companies from January 1984 to October 1988 and was responsible for property development, property investments and project acquisitions for the Hon Kwok group. Mr. Pong worked at Chesterton Petty Ltd. as a senior agency manager in 1988. He joined Richard Ellis Ltd. as a senior manager in 1989 and promoted as an associate director in 1991. During the periods from 1992 to 1994 and from 1994 to 2000, Mr. Pong was a director of Metrobase Surveyors Limited and Cosmo Surveyors Limited respectively and completed a number of property investment and acquisition projects. He is currently a director of Metroland Property Consultants Limited.

Mr. Pong does not have any interests in the shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Pong does not hold any other positions in the Company or any members of the Group, and did not hold any directorships in any listed public companies in the past three years. He does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

Notes: (continued)

(6) *(continued)*

Ivan Ti-Fan Pong *(continued)*

There is a service agreement entered into between the Company and Mr. Pong. His directorship is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Bye-laws of the Company. He is entitled to a fixed fee of HK$380,000 per annum which is based on the Company's remuneration policy adopted for independent non-executive Directors.

Save as disclosed above, there is no information to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules, nor any other matters and information need to be brought to the attention of the shareholders of the Company or required to be disclosed pursuant to any of the requirements of the Listing Rules in respect of Mr. Pong.

(7) As at the date hereof, the Board comprises of ten Directors, of which six are executive Directors, namely Mr. Yuen-Keung Chan, Mr. James Sing-Wai Wong, Mr. Wing-Sang Yu, Mr. Philip Bing-Lun Lam, Mr. Hon-Man Wai and Mr. Hoi-Fan Lam; and four are independent non-executive Directors, namely Mr. Siu-Chee Kong, Mr. Ivan Ti-Fan Pong, Mr. Robert Che-Kwong Tsui and Ms. Kit-Sum Ling.

CHAIRMAN'S STATEMENT

TO OUR SHAREHOLDERS

On behalf of the board (the "Board") of directors (the "Directors"), I am pleased to present to our shareholders the annual report of Chinney Kin Wing Holdings Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 December 2025. The Group's revenue decreased by 9% to HK$2,273 million (2024: HK$2,486 million). The profit attributable to equity holders increased to HK$133 million (2024: HK$127 million), representing an increase of 5% from the previous year.

PROPOSED FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK2.0 cents per share for the year ended 31 December 2025 to the shareholders of the Company whose names appear on the Company's register of members on 15 June 2026. Subject to approval by the shareholders on the forthcoming annual general meeting, the dividend cheques are expected to be despatched to the shareholders on or before 7 July 2026.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on 3 June 2026. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from 29 May 2026 to 3 June 2026 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on 28 May 2026.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

The proposed final dividend for the year ended 31 December 2025 is subject to the approval by the shareholders of the Company at the annual general meeting. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from 10 June 2026 to 15 June 2026 (both days inclusive), during which period no share transfers will be registered. The last day for dealing in the Company's share cum entitlements to the proposed final dividend will be 5 June 2026. In order to qualify for the proposed final dividend, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on 9 June 2026.

PROSPECTS

The construction sector entered 2025 amid heightened external uncertainties following renewed trade tensions and shifting global political dynamics after the return of the Trump administration. Elevated geopolitical risks and cautious global investment sentiment also created additional headwinds for the sector.

Against this backdrop, industry conditions remained subdued. Activity weakened during the year, with the gross value of building works declining by 7.5 percent year-on-year in the third quarter, following a 2.3 percent decrease in the second quarter after modest growth of 1.6 percent earlier in the year. Construction output is expected to contract by 1.6 percent in real terms in 2026. Intensifying competition for a limited pipeline of projects has further driven tender prices to unsustainably low levels, and this trend is expected to persist into 2026.

Labour market conditions also deteriorated over the period. The construction unemployment rate rose to nearly 7.2 percent in January 2026, significantly exceeding the city's overall average. The increase was largely attributable to the slowdown in private development activity, together with the gradual adoption of construction technologies that have reduced demand for manual labour.

However, the 2026–27 Hong Kong Budget reaffirmed the Government's commitment to infrastructure development, with the Northern Metropolis initiative remaining central to long-term planning and market visibility. A gradual recovery in land sales may also contribute to improved market dynamics. Additionally, land supply initiatives have provided support for the medium-term outlook. New residential land supply has gained momentum, including the release of urban sites in Ngau Tau Kok and Shau Kei Wan, as well as railway-linked developments at Kam Sheung Road and the Urban Renewal Authority's Kai Tak project providing support for future construction activity.

Addressing the shortage of skilled labour remains an important industry priority. In response, the Group continues to strengthen its commitment to talent development through initiatives including the "Train the Trainers" programme run by the CKW Academy. These initiatives have developed a succession management team consisting of 10 top executives, Method Statement, and cultivating a skilled workforce with positive mindset and self-respect capable of meeting more stringent industry requirements. Structured training and knowledge-transfer programmes also support the preservation of institutional expertise within the organisation. Various operational departments of the Group continue to develop in digital tools and Central Management Platform to enhance project management efficiency, cost control and risk management.

As a leading player in the foundation sector and despite the short-term set back of construction industry, the Group will strive to strengthen its capabilities through continuous investment in machinery, technology and talent development porgrammes to enhance its competitive position with a long-term perspective. Maintaining disciplined project selection criteria, the Group will pursue strategic opportunities across both public and private sectors while positioning itself for sustainable growth and shareholder value creation.

APPRECIATION

On behalf of the Board, I would like to thank the members of our Execution Panel, management team and colleagues across the Group for their continued commitment and hard work. I also extend my appreciation to our business partners and shareholders for their ongoing support. As we move ahead, we will stay focused on strengthening our core operations and building long-term, sustainable growth together with the support of our stakeholders.

Yuen-Keung Chan
Chairman

Hong Kong, 26 March 2026

EXECUTIVE DIRECTORS

Yuen-Keung Chan

Aged 71, joined our Group in September 1994. He was appointed as our executive Director on 9 July 2015 and concurrently serves as the chairman of our Board. Mr. Chan is responsible for strategic planning, overall corporate and business development of our Group. He also serves as a director of all major subsidiaries of our Group.

Mr. Chan has over forty-five years of experience in the construction industry. He is a member of the Chartered Institute of Building.

Currently, Mr. Chan is an executive director, the vice chairman and the managing director of Chinney Alliance Group Limited (stock code: 385, "CAGL") and an executive director and the vice chairman of Chinney Investments, Limited (stock code: 216, "Chinney Investments"). Chinney Investments and CAGL are both listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

James Sing-Wai Wong

Aged 62, was appointed as our executive Director on 2 September 2016. He graduated from the University of Washington with a Bachelor's degree with honors in Economics. He also holds a Juris Doctorate degree from the University of California College of the Law, San Francisco (formerly known as "University of California San Francisco, Hastings College of Law"), and a Master's degree in Systems Engineering and Information Systems from the Florida Institute of Technology. He is a member of the California Bar as well as a licensed California Real Estate Broker. He has accumulated over thirty years of experience in economics, law, management and information systems in Hong Kong, United States, Canada, the United Kingdom and the Mainland China.

Mr. Wong is currently the director of all major subsidiaries of our Group.

He is the chairman and an executive director of CAGL (stock code: 385), being a controlling shareholder of the Company. He is also the chairman and an executive director of Chinney Investments (stock code: 216) and Hon Kwok Land Investment Company, Limited (stock code: 160, "Hon Kwok"). CAGL, Hon Kwok and Chinney Investments are listed on the Main Board of the Stock Exchange. He is the son of late Dr. James Sai-Wing Wong, the Founding Chairman who was a substantial shareholder of CAGL and Chinney Investments and a controlling shareholder of the Company, and Madam Madeline May-Lung Wong Cha who is a substantial shareholder of CAGL and Chinney Investments and a controlling shareholders of the Company.

Wing-Sang Yu

Aged 65, was appointed as our executive Director on 9 July 2015 and concurrently serves as the managing director of our Company. Mr. Yu is responsible for formulating corporate development and business strategies, the establishment and ensuring compliance with the Group's core value and leading and training our core management team. Mr. Yu is a founder of our Group and established Kin Wing Engineering Company Limited ("Kin Wing Engineering") in 1994. In February 2003, he left our Group to pursue his personal interest and re-joined as the managing director in May 2011. Mr. Yu currently also serves as a director of all major subsidiaries of our Group.

Mr. Yu has over twenty-five years of experience in the foundation industry. He obtained a Bachelor's degree in Engineering from The University of Hong Kong ("HKU") in 1983 and a Master's degree in Arts (Christian Studies) from The Chinese University of Hong Kong in 2009. He has been a corporate member of The Hong Kong Institution of Engineers since May 1992.

EXECUTIVE DIRECTORS *(continued)*

Philip Bing-Lun Lam

Aged 83, was appointed as our executive Director on 2 September 2016. Mr. Lam began his career in 1963 with Hang Seng Bank Limited for eleven years, and then joined HKU in 1975 as an Assistant Finance Director. He then worked as the Chief Accountant and Comptroller in Overseas Bank (Canada) in Vancouver for three years from 1982 to 1985. In December 1985, Mr. Lam re-joined HKU and had served as the Director of Finance from 1990 until his retirement on 30 June 2012, and had been the Honorary Advisor to the Chairman of The University of Hong Kong Foundation for Educational Development and Research until end of 2019.

Mr. Lam is a fellow of The Chartered Institute of Management Accountants (UK), the Hong Kong Institute of Certified Public Accountants, an associate of The Chartered Governance Institute (UK) (formerly The Institute of Chartered Secretaries and Administrators (UK)) and The Chartered Institute of Bankers (UK).

Mr. Lam is active in community affairs and is a member of the Board of Governors of the Canadian International School of Hong Kong.

Mr. Lam is an executive director of CAGL (stock code: 385). He was an executive director of Hon Kwok (stock code: 160) in April 2019 and subsequently re-designated to a non-executive director of Hon Kwok in July 2025. CAGL and Hon Kwok are listed on the Main Board of the Stock Exchange.

Hon-Man Wai

Aged 52, was appointed as our executive Director on 3 June 2023. Mr. Wai is currently the general manager and a director of Kin Wing Engineering and Kin Wing Foundations Limited ("Kin Wing Foundations"). He is also a director of DrilTech Ground Engineering Limited ("DrilTech Ground"), DrilTech Geotechnical Engineering Limited ("DrilTech Geotechnical") and Everest Engineering Company Limited, all being major subsidiaries of the Company. He is the Head of our Execution Panel and responsible for the overall management and supervision of operations of our Group, including but not limited to, tendering, project planning, project management, quality assurance, site safety and general corporate administration.

Mr. Wai has over twenty-nine years of experience in supervising and managing various foundation piling projects. He obtained a Bachelor's degree in Environmental Engineering from The Hong Kong Polytechnic University in 1996. After graduation, he joined the Group as an assistant engineer in September 1996.

EXECUTIVE DIRECTORS *(continued)*

Hoi-Fan Lam

Aged 52, was appointed as our executive Director on 3 June 2023. Mr. Lam is currently the general manager and a director of DrilTech Ground and DrilTech Geotechnical (collectively the "DrilTech Group"). He is the head of our safety department and the DrilTech Group. He is responsible for the overall management and operations of our drilling and site investigation business.

Mr. Lam has over thirty-two years of experience in performing and supervising various site investigation works. He joined DrilTech Ground in February 1997 as a senior technician. He obtained a Bachelor's degree in Civil Engineering from Chu Hai College of Higher Education in 2009.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Siu-Chee Kong

Aged 79, was appointed as our independent non-executive Director on 20 October 2015. He is also the chairman of the audit committee of the Company.

Mr. Kong received an MBA degree from The Chinese University of Hong Kong in December 1980, and received a diploma in Banking from the Chartered Institute of Bankers in London in December 1973.

Mr. Kong began his career in 1969 with Standard Chartered Bank, where he served in various managerial positions for twenty-four years. He was a director of Champion Technology Holdings Limited (stock code: 0092) from 1993 to 1994 and a director of Kantone (UK) Limited from 1994 to 1996. From 1999 to 2005, he served as an executive vice-president, director and alternate chief executive officer of CITIC Bank International Limited (formerly known as "CITIC Ka Wah Bank Limited"), and was an executive director of CITIC International Financial Holdings Limited. He was an independent non-executive director of China New Town Development Company Limited (stock code: 1278) from November 2006 to October 2024, and was an independent non-executive director of Harbin Bank Co., Ltd. (stock code: 6138) from October 2013 to October 2019.

Ivan Ti-Fan Pong

Aged 66, was appointed as our independent non-executive Director on 20 October 2015. He is also the chairman of the nomination committee of the Company. Mr. Pong obtained his Bachelor's degree in Economics (with Honours) from the University of Essex, U.K. in July 1983 and obtained his Master's degree in Business Administration from the EMBA Program of The Chinese University of Hong Kong in December 1999. He became a fellow of Hong Kong Institute of Directors (FHKIoD) since January 2020.

Mr. Pong has over thirty years of experience in the real estate investment market in Hong Kong and the People's Republic of China. Mr. Pong worked for Hon Kwok and its affiliated companies from January 1984 to October 1988 and was responsible for property development, property investments and project acquisitions for the Hon Kwok group. Mr. Pong worked at Chesterton Petty Ltd. as a senior agency manager in 1988. He joined Richard Ellis Ltd. as a senior manager in 1989 and promoted as an associate director in 1991. During the periods from 1992 to 1994 and from 1994 to 2000, Mr. Pong was a director of Metrobase Surveyors Limited and Cosmo Surveyors Limited respectively and completed a number of property investment and acquisition projects. He is currently a director of Metroland Property Consultants Limited.

INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*

Robert Che-Kwong Tsui

Aged 72, was appointed as our independent non-executive Director on 20 October 2015. He is also the chairman of the remuneration committee of the Company. He graduated from the University of Buckingham with a Bachelor's degree of Laws in February 1981. Mr. Tsui was admitted to the Law Society of Hong Kong in 1985 and qualified to practice law in Singapore in 1994 and in Anguilla, Caribbean in 2005.

Mr. Tsui has over thirty years of experience as practicing solicitor in Hong Kong. He is the founder and owner of Robert C.K. Tsui & Co., Solicitors, a law firm established in 1990. Mr. Tsui was an independent non-executive director of Kaisa Capital Investment Holdings Limited (stock code: 0936, formerly known as "Eagle Legend Asia Limited"), a company listed on the Main Board of the Stock Exchange from December 2014 to November 2019.

Kit-Sum Ling (alias Imma Kit-Sum Ling)

Aged 71, was appointed as our independent non-executive Director on 2 December 2024. Ms. Ling is a Certified Public Accountant (Practising) and is a retired assurance partner of PricewaterhouseCoopers. Ms. Ling has extensive experience in accounting, auditing, due diligence and initial public offerings.

Ms. Ling is a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants, a member of the Chartered Professional Accountants of Ontario, Canada and a member of Chartered Institute of Management Accountants. She is also an accredited general mediator of the Hong Kong Mediation Accreditation Association Limited. She holds a Diploma in Accountancy from the Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) and a Master of Science in Corporate Governance and Directorship (Distinction) from the Hong Kong Baptist University.

Ms. Ling is currently an independent non-executive director of ENM Holdings Limited (stock code: 128), EVA Precision Industrial Holdings Limited (stock code: 838), Melbourne Enterprises Limited (stock code: 158) and Raymond Industrial Limited (stock code: 229), all being companies listed on the Main Board of the Stock Exchange.

Ms. Ling currently holds the following key positions in public service: council member and treasurer of The Education University of Hong Kong, member of the Advisory Board of Hong Kong Institute of Information Technology of Vocational Training Council, member of the Panel of Review Boards on School Complaints of the Education Bureau, executive committee member of Hong Kong Youth Hostels Association, council member and honorary secretary of The Hong Kong Federation of Youth Groups, independent manager of the incorporated management committee of Ng Yuk Secondary School, an aided school.

Ms. Ling was an independent non-executive director of Digital Hollywood Interactive Limited (stock code: 2022) from November 2017 to June 2021, Wise Ally International Holdings Limited (stock code: 9918) from December 2019 to June 2023 and Arta TechFin Corporation Limited (stock code: 279) from October 2021 to December 2025, all being companies listed on the Main Board of the Stock Exchange. In public service, Ms. Ling was a member of the Appeal Board Panel (Town Planning) from October 2016 to September 2022, a member of the Hospital Governing Committee of Hospital Authority from April 2015 to March 2022, a board member of the Estate Agents Authority from November 2015 to October 2021, and a board member of the Employees Compensation Assistance Fund Board from July 2006 to June 2012.

SENIOR MANAGEMENT

Ka-Wah Chan

Aged 58, has been a technical director of the Company since October 2023. Mr. Chan is also a director of Kin Wing Engineering, Kin Wing Foundations, DrilTech Ground and DrilTech Geotechnical. He is responsible for providing technical support to our projects, particularly in resolving construction-related issues, with a special emphasis on ensuring pile quality.

Mr. Chan has over thirty-one years of experience in supervising and managing foundation and site formation projects. Prior to joining our Group, he worked as a graduate/assistant engineer at Leighton-Bruckner Foundation Engineering Ltd. from August 1990 to April 1992 and a site engineer at Chee Shing Foundation Limited from April 1993 to July 1994. Mr. Chan joined our Group in 1994. He obtained a Bachelor's degree in Civil and Structural Engineering from HKU in 1990.

Man-Fu Tang

Aged 59, has been a technical director of the Company since October 2023. He is responsible for supervising of foundation construction and ancillary services projects of our Group, providing technical support and advice to the project team, and exploring new technologies and equipment for foundation construction, enhancing product quality and our Group's reputation.

Mr. Tang has over thirty-two years of experience in project and site management. He obtained a Master's degree in Project Management from The University of South Australia in April 2004, a Master's degree in Civil Engineering and a Master's degree in Environmental Management and Engineering from The Hong Kong Polytechnic University in November 2010 and March 2026 respectively. He was admitted as a member of Australian Institute of Project Management in November 2004. Mr. Tang joined our Group as a site agent in January 2000 and currently acts as a Vice-chairman of Piling Contractors Committee under The Hong Kong Constructing Association.

Ronnie Wai-Kwong Tse

Aged 59, joined the Group in September 2007 as a design manager. He was appointed as the assistant general manager (Tender) of our Group in 2022 and is now responsible for foundation tendering. Mr. Tse obtained his Bachelor's degree in Civil Engineering in 2001 and his Master's degree in Structural Engineering in 2006. He has more than thirty years wide range of design experience in the field of foundation, reinforced concrete, steelwork, deep excavation as well as site formation projects. Before joining our Group, he worked as a design manager at CWF Piling and Civil Engineering Co. Ltd. for ten years.

Kong-Wa Chen

Aged 52, has been an assistant general manager (site operation) of our Group since April 2024. Mr. Chen is responsible for leading the bored pile production team and site supervisor group, overseeing the on-site production and works supervision matters.

He has over twenty-nine years of experience in the construction industry in various areas, including thirteen years specialising in foundation construction. Prior to joining our Group, Mr. Chen had worked for several renowned contractors in diverse large-scale site formation, civil and building projects. He joined our Group as a senior site supervisor in October 2010.

SENIOR MANAGEMENT *(continued)*

Kwok-Chung Choi

Aged 45, has been the quantity surveying manager of our Group since October 2021. He is also the department head responsible for quantity surveying, cost control, and contract management matters. Starting from December 2023, he has concurrently taken on the role of the human resources and administration department head, overseeing human resources management, recruitment, training, performance management, compensation and benefits, and other related tasks. During 2025, he further assumed the role of supervising Procurement and Accounting Department.

With over twenty years of experience in quantity surveying, Mr. Choi is particularly knowledgeable in handling claims and disputes related to ground investigation and bored pile foundation contracts. He joined our Group as an assistant quantity surveyor in March 2003.

Shing-Chi Lau

Aged 38, joined the Group in 2015 and has been the Design Manager of the Group since 2022. He has over fifteen years of experience in geotechnical and structural engineering design, including foundation engineering, and is responsible for overseeing engineering design, providing geotechnical and structural technical support, and spearheading the development of Building Information Modeling (BIM) within the Group. In early 2023, he also took on the role of supervising the Information Technology Department, where he is responsible for leading the IT team, overseeing departmental operations, formulating strategic development plans, and overseeing the development of artificial intelligence initiatives. During 2025, he further assumed the role of supervising the Environmental and Quality Assurance Department and the development of laboratory technology under LABTech.

Mr. Lau obtained a Bachelor of Engineering in Civil Engineering from The Hong Kong Polytechnic University. He has been a Member of The Hong Kong Institution of Engineers since 2015 and became a Registered Professional Engineer (Structural) in Hong Kong in 2019.

Anthony Ding-Him Yu

Aged 41, was appointed as the company secretary and financial controller of the Company on 16 January 2025. He has over fifteen years of experience in auditing, accounting and initial public offerings. He is responsible for the financial, accounting and company secretarial matters of the Group. Prior to joining the Group, he worked in various companies as finance leader including Fengyinhe Holdings Limited (formerly known as "Flying Financial Service Holdings Limited", whose shares are listed on the GEM of the Stock Exchange with stock code: 8030) from January 2014 to July 2014, Clifford Modern Living Holdings Limited (whose shares are listed on the Main Board of the Stock Exchange (stock code: 3686)) from January 2016 to December 2019, and Clifford Medical Group Limited from March 2022 to June 2023.

Mr. Yu obtained a Bachelor of Commerce degree in April 2009 by the University of South Australia, Australia and a Master of Business Administration (Technology) from the University of New South Wales (online program) in January 2024. He obtained a certificate of membership as a certified public accountant and became a fellow member from the Hong Kong Institute of Certified Public Accountants in May 2014 and July 2021 respectively and was admitted as a member then fellow member of CPA Australia in January 2013 and May 2024 respectively.

Mr. Yu was also admitted as an associate of the Chartered Institute of Management Accountants in March 2013, a certified internal auditor of The Institute of Internal Auditors in February 2023, a project management professional of the Project Management Institute in May 2024, and a certified business analysis professional of the International Institute of Business Analysis in October 2024.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving the standards of corporate conduct and to place importance on its corporate governance systems so as to ensure greater transparency, accountability and protection of shareholders' interests.

This report describes the Company's corporate governance practices and structures that were in place during the financial year, with specific reference to the principles and guidelines of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). In developing and reviewing its corporate governance policies and practices, the Company has sought to adopt a balanced approach.

Throughout the year ended 31 December 2025, in the opinion of the Directors, the Company has complied with the applicable code provisions of the CG Code as set out in Appendix C1 of the Listing Rules, except C.5.1, which is discussed in this report.

CORPORATE CULTURE

A positive and progressive corporate culture across the Group is vital for the Company to achieve its purpose towards the sustainable growth. It is the role of the Board to foster the Group's corporate culture with the core principles of integrity and accountability to guide the behaviours of its employees and ensure that the Company's purpose, values and business strategies are aligned to it.

CORPORATE GOVERNANCE STRUCTURE

The Board believes that a well-balanced corporate governance structure will enable the Company to better manage its business risks and thereby ensure the Company is run in the best interests of its shareholders and other stakeholders. The Board is primarily responsible for setting directions, formulating strategies, monitoring performance and managing risks of the Group. At the same time, it is also charged with the duty to enhance the effectiveness of the corporate governance practices of the Group. Under the Board, there are currently three board committees, namely Audit Committee, Remuneration Committee and Nomination Committee. All the Committees perform their distinct roles in accordance with their respective terms of reference and assist the Board in supervising certain functions of the senior management.

BOARD OF DIRECTORS

Members of the Board are collectively responsible for overseeing the business and affairs of the Group that aims to enhancing the Company's value for stakeholders. Roles of the Board include reviewing and guiding corporate strategies and policies; monitoring financial and operating performance; ensuring the integrity of the Group's accounting and financial reporting systems; and setting appropriate policies in managing risks of the Group while the day-to-day management is delegated to the executive Directors. The biographical details of the Directors are set out in the "Biographies of Directors and Senior Management" on pages 12 to 17 of this Annual Report.

The Board currently comprises of six executive Directors and four independent non-executive Directors. The Directors during the financial year and up to the date of the report are currently as follows:

Executive Directors

Yuen-Keung Chan *(Chairman)*
James Sing-Wai Wong
Wing-Sang Yu *(Managing Director)*
Philip Bing-Lun Lam
Hon-Man Wai
Hoi-Fan Lam

Independent Non-Executive Directors

Siu-Chee Kong
Ivan Ti-Fan Pong
Robert Che-Kwong Tsui
Kit-Sum Ling

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors are set out below:

(i) Mr. Philip Bing-Lun Lam has re-designated as a non-executive director of Hon Kwok (stock code: 160) with effect from 1 July 2025.

(ii) Mr. Yuen-Keung Chan has ceased as the managing director of Chinney Investments (stock code: 216) with effect from 29 August 2025.

(iii) Ms. Kit-Sum Ling has resigned as an independent non-executive director of Arta TechFin Corporation Limited (stock code: 279) with effect from 23 December 2025.

Independent non-executive Directors serve the relevant function of bringing independent judgment on the development, performance and risk management of the Group through their contributions in board meetings.

The Board considers that each independent non-executive Director is independent in character and judgment. The Company has received from each independent non-executive Director a written confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules.

Board meetings of the Company were held twice during the year on a regular basis, which deviated from code provision C.5.1 of the CG Code which stipulates that the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals.

BOARD OF DIRECTORS *(continued)*

In view of the simplicity of the Group's businesses, regular board meetings have not been held quarterly during the year. The interim and annual results together with all corporate transactions happened during the year have been reviewed and discussed amongst the Directors at the full board meetings held in the year. But the Board (including all independent non-executive directors) was fully and continuously informed of the Group's major business developments and affairs through alternative but effective mechanisms. In practice:

(i) Various business event gatherings were attended by Board members, during which the Group's operational matters, business developments and strategic considerations were discussed in depth; and

(ii) Weekly cash basis financial and operational performance updates were circulated to all Board members, allowing them to monitor the Group's financial position, liquidity status, and business performance in a timely manner, and to provide comments or guidance as needed.

These communication channels enabled the Board to stay closely engaged with management and ensured that independent non-executive directors received sufficiently frequent and meaningful information to perform their oversight duties.

Draft minutes of board meetings shall be circulated to Directors for comments and the signed minutes are kept by the Company Secretary.

In order to safeguard the interest of individual Director, the Company has also arranged directors' and officers' liability insurance for the Directors.

BOARD INDEPENDENCE

The Group has established following mechanisms to ensure independent views and input are available to the Board, which have been reviewed by the Board and considered to be effective:

(a) As at the date of this report, four out of the ten Directors are independent non-executive Directors, which meets the requirement of the Listing Rules that at least one-third of the Board are independent non-executive Directors.

(b) All independent non-executive Directors of the Company are appointed to board committees and continue to contribute actively in board and board committees' meetings to bring independent judgement on the development, performance and risk management of the Group.

(c) The Nomination Committee strictly adheres to the independence assessment criteria as set out in the Listing Rules with regard to the nomination and appointment of independent non-executive Directors, and is mandated to assess annually the independence of independent non-executive Directors to ensure that they can continually exercise independent judgement.

    The Company has received from each independent non-executive Director a written confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. With the assessment conducted by the Nomination Committee, the Board still considers that each independent non-executive Director is independent in character and judgement.

(d) No equity-based remuneration with performance-related elements will be granted to independent non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The CG Code requires that the roles of Chairman and Chief Executive be separated and not performed by the same individual to ensure there is a clear division of responsibilities between the Chairman and the management executives.

Mr. Yuen-Keung Chan, Chairman of the Company, is responsible for the management of the Board. The Group's business namely Foundation Division and Drilling Division are managed by its divisional managing directors and/or general managers.

Throughout the year, there was a clear division of responsibilities between the Chairman and the management executives.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

A Director appointed by the Board is subject to election by shareholders at the first annual general meeting after his or her appointment, and every executive and non-executive Director is subject to retirement by rotation and re-election at the Company's annual general meeting by shareholders every three years under the provision of the Bye-laws of the Company (the "Bye-laws").

In accordance with bye-law 84 of the Bye-laws, Mr. Philip Bing-Lun Lam, Mr. Hon-Man Wai, Mr. Hoi-Fan Lam and Mr. Ivan Ti-Fan Pong will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

The Company Secretary updates Directors on the latest developments and changes to the Listing Rules and the applicable legal and regulatory requirements regarding subjects necessary in the discharge of their duties.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities.

Directors are required to submit to the Company annually details of training sessions undertaken by them in each financial year for the Company to maintain a training record for its Directors. According to the training records maintained by the Company, the training received by each of the Directors during the year ended 31 December 2025 is summarised as follows:

Name of Director	Type of trainings
Executive Directors	
Yuen-Keung Chan	A, B
James Sing-Wai Wong	A, B
Wing-Sang Yu	A, B
Philip Bing-Lun Lam	A, B
Hon-Man Wai	A, B
Hoi-Fan Lam	A, B
Independent Non-Executive Directors	
Siu-Chee Kong	A, B
Ivan Ti-Fan Pong	A, B
Robert Che-Kwong Tsui	A, B
Kit-Sum Ling	A, B

A: attending seminars/conferences/workshops/forums
B: reading newspapers, journals and updates relating to the economy, environmental protection business or director's duties and responsibilities etc.

CORPORATE GOVERNANCE FUNCTION

The Board is collectively responsible for performing the corporate governance duties including:

(a) to develop, review and update the Company's policy and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of Directors and senior management;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to review the Company's compliance with the CG Code and disclosure in the "Corporate Governance Report"; and

(e) to perform such other corporate governance duties and functions set out in the CG Code (as amended from time to time) for which the Board is responsible.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules.

On specific enquiries made, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2025. Securities interests in the Company and its associated corporations held by each of the Directors are set out in the "Report of the Directors" on pages 31 to 41 of this Annual Report.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 20 October 2015 and it currently comprises two independent non-executive Directors namely Mr. Robert Che-Kwong Tsui (as Chairman) and Mr. Ivan Ti-Fan Pong and an executive Director namely Mr. Yuen-Keung Chan.

The terms of reference of the Remuneration Committee are available on the Stock Exchange's website and the Company's website. The principal functions include, but not limited to:

– reviewing and approving the management's remuneration proposals with reference to the Board's goals and objectives; and

– as the Board shall direct, making recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

The Remuneration Committee consults the chairman of the Board and an executive Director about their remuneration proposals for other executive Directors and senior management.

Details of remuneration packages of the executive Directors during the year are set out under heading "Directors' Remuneration" on pages 84 and 85 in this Annual Report.

REMUNERATION COMMITTEE *(continued)*

In 2025, two meetings of the Remuneration Committee were held during which the remuneration packages of all executive Directors and senior management for the year have been reviewed individually and the proposal for year 2025 remuneration adjustment and bonus distribution were considered.

DIRECTORS' REMUNERATION POLICY

The Company has adopted a remuneration policy for its Directors, which aims to provide a fair market level of remuneration to retain and motivate high quality Directors, and attract experienced people of high calibre to oversee the business and development of the Group. Pursuant to the remuneration policy, the following key principles have been established for the remuneration for both executive Directors' and non-executive Directors' remuneration/fees (including independent non-executive Directors):

– executive Directors' remuneration packages shall comprise fixed and variable components linking to individual and the Group's performance and comparable to peer companies, and shall be reviewed annually by the Remuneration Committee and approved by the Board.

– non-executive Directors (including independent non-executive Directors) shall receive fixed remuneration/fee to be set at an appropriate level by reference to the relevant time commitment and the size and complexity of the Group, and shall be reviewed annually by the Remuneration Committee and approved by the Board.

– authorisation is to be granted from the Company's shareholders at its annual general meeting to determine Directors' remuneration for each financial year.

– no individual is involved in determining his or her own remuneration.

NOMINATION COMMITTEE

The Nomination Committee was established on 20 October 2015 and it currently comprises four independent non-executive Directors namely Mr. Ivan Ti-Fan Pong (as Chairman), Mr. Robert Che-Kwong Tsui, Mr. Siu-Chee Kong and Ms. Kit-Sum Ling and two executive Directors namely Mr. Yuen-Keung Chan and Mr. James Sing-Wai Wong.

The terms of reference of the Nomination Committee are available on the Stock Exchange's website and the Company's website.

The roles and functions of the Nomination Committee include reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become Directors, selecting or making recommendations to the Board on nominations, appointment or re-appointment of Directors and Board succession, and assessing the independence of the independent non-executive Directors.

A Nomination Committee meeting was held in March 2025. The major works performed by the Nomination Committee during the year included assessing the independence of independent non-executive Directors, making recommendation to the Board on the retiring Directors' eligibility for re-election at the annual general meeting and discussing the succession planning of the Board. It also reviewed the structure, size and composition of the Board, the board diversity policy and the nomination policy, and considered that the said policies were appropriate and effective. Draft minutes of the Nomination Committee meeting is circulated to members of Nomination Committee for comments and the signed minutes is kept by the Company Secretary.

DIVERSITY OF THE BOARD AND OF THE WORKFORCE

The Board has adopted a board diversity policy, which set out the approach to achieve diversity on the Board. When deciding on appointments of board members and continuation of those appointments, the Board considers a number of board diversity criteria according to the policy, including but not limited to gender, age, cultural background, educational background, professional expertise, industry experience, skills and knowledge. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. These measurable objectives have been set to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and will be reviewed by the Nomination Committee annually to ensure the continued effectiveness of the Board. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Board, with the help of the Nomination Committee, reviewed the structure, size and composition of the Board and was satisfied, in general, with diversity of the Board in accordance with the board diversity policy. The Board considers that the current Board's composition reflects an appropriate balance of gender, skills, experience and diverse perspectives among its members that complement the Group's strategy and business developments.

To identify potential successors to the Board to maintain the board diversity, the Company would search via internal resources and may engage professional search firm as and when required.

<table>
<tr><td rowspan="2">Gender</td><td>Female</td><td colspan="6">Male</td></tr>
<tr><td>1 director</td><td colspan="6">9 directors</td></tr>
<tr><td rowspan="2">Age Group</td><td colspan="2">50-59</td><td colspan="2">60-69</td><td colspan="2">70-79</td><td>80 or above</td></tr>
<tr><td colspan="2">2 directors</td><td colspan="2">3 directors</td><td colspan="2">4 directors</td><td>1 director</td></tr>
<tr><td rowspan="2">Length of services with board</td><td colspan="3">1 to 6 years</td><td colspan="4">7 to 10 years</td></tr>
<tr><td colspan="3">3 directors</td><td colspan="4">7 directors</td></tr>
<tr><td rowspan="2">Capacity</td><td colspan="5">Executive Director</td><td colspan="2">Independent Non-Executive Director</td></tr>
<tr><td colspan="5">6 directors</td><td colspan="2">4 directors</td></tr>
</table>

The Company has also taken, and continues to take steps to promote diversity at all levels of its workforce. The Group provides equal opportunity to all employees and does not discriminate on the grounds of gender, race, age, nationality, religion, sexual orientation, disability and any other aspects of diversity. As at 31 December 2025, the workforce (including senior management) are approximately in the 1:0.22 ratio of men to women.

AUDIT COMMITTEE

The Audit Committee was established on 20 October 2015 and it currently comprises four independent non-executive Directors namely Mr. Siu-Chee Kong (as Chairman), Mr. Ivan Ti-Fan Pong, Mr. Robert Che-Kwong Tsui and Ms. Kit-Sum Ling.

The terms of reference of the Audit Committee are available on the Stock Exchange's website and the Company's Website.

The primary duties of the Audit Committee include, but not limited to:

– to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;

– to review the accounting principles and policies adopted by the Company and discuss with management and the external auditor the financial reporting matters;

– to review the financial statements of the Group before their submission to the Board for approval; and

– to review the effectiveness of the internal control and risk management system of the Group.

The Audit Committee met two times during the year under review. In March 2025, one meeting of Audit Committee was held at which the Audit Committee reviewed final results of the Company and its subsidiaries for the year ended 31 December 2024 as well as the report prepared by the external auditor relating to accounting issues and major findings in course of audit. In August 2025, one meeting of Audit Committee was held at which the Audit Committee has reviewed the accounting principles and policies adopted by the Company and discussed with management and the external auditor the financial reporting matters of the Group for the period ended 30 June 2025.

Draft minutes of the Audit Committee meetings were circulated to members of Audit Committee for comments and the signed minutes are kept by the Company Secretary.

ATTENDANCE AT MEETINGS OF THE BOARD, REMUNERATION, NOMINATION AND AUDIT COMMITTEES AND ANNUAL GENERAL MEETING

Name of Director	Board Meetings	Remuneration Committee Meetings	Nomination Committee Meeting	Audit Committee Meetings	Annual General Meeting held on 6 June 2025
	Attended/Eligible to attend during the year ended 31 December 2025				
Executive Directors					
Yuen-Keung Chan	2/2	2/2	1/1	N/A	1/1
James Sing-Wai Wong	2/2	N/A	1/1	N/A	1/1
Wing-Sang Yu	2/2	N/A	N/A	N/A	1/1
Philip Bing-Lun Lam	2/2	N/A	N/A	N/A	1/1
Hon-Man Wai	2/2	N/A	N/A	N/A	1/1
Hoi-Fan Lam	2/2	N/A	N/A	N/A	1/1
Independent Non-Executive Directors					
Siu-Chee Kong	1/2	N/A	1/1	2/2	1/1
Ivan Ti-Fan Pong	2/2	2/2	1/1	2/2	1/1
Robert Che-Kwong Tsui	2/2	2/2	1/1	2/2	1/1
Kit-Sum Ling	2/2	N/A	N/A*	2/2	1/1

* Ms. Kit-Sum Ling appointed as a member of the Nomination Committee with effect from 28 August 2025.

AUDITOR'S REMUNERATION

During the year ended 31 December 2025, the Group has engaged its external auditor, Ernst & Young, to provide the following services and their respective fees charged are set out as follows:

Services rendered	Fees paid/payable *HK$'000*
Audit services	**1,631**
Non-audit services (review and other services)	**500**

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has overall responsibilities for maintaining the Group's systems of internal control and reviewing their effectiveness. The internal control systems of the Group are designed to provide reasonable assurance to minimise risk of failure in operational systems, and to assist in the achievement of the Group's goals. The systems are also structured to safeguard the Group's assets, to ensure the maintenance of proper accounting records and compliance with applicable laws, rules and regulations. The systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate risks of failure in the Group's operational systems and in the achievement of the Group's business objectives. The Group has dedicated internal audit function who reviews the effectiveness of the risk management and internal control systems from time to time in order to ensure that they meet with the dynamic and ever changing business environment.

During the year, the Audit Committee has reviewed the Group's internal control system and considered the internal audit report with the executive Directors and financial controller. The review covers all material controls, including financial, operational and compliance controls and risk management of the Group and such systems have been considered reasonably effective and adequate.

The Group regularly reminds the Directors and relevant employees for the compliance of policies regarding the inside information, and provide them with update on the appropriate guidelines or policies to ensure the compliance with regulatory requirements.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for overseeing the preparation of financial statements for each financial period with a view to ensuring such financial statements give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. The Company's financial statements are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgments and estimates made are prudent and reasonable. The statement of the independent auditor of the Company, Messrs. Ernst & Young, with regard to their reporting responsibilities on the Company's financial statements is set out in the Independent Auditor's Report on pages 42 to 47.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy"). Pursuant to which, in considering the declaration and payment of dividends, the Board shall maintain adequate cash reserves for meeting its working capital requirements and future business growth and take into account the following factors of the Group:

a. financial results;

b. cash flow situation;

c. business conditions and strategies;

d. future operations and earnings;

e. capital requirements and expenditure plans;

f. interests of shareholders;

g. any restrictions on payment of dividends; and

h. any other factors that the Board may consider relevant.

The Board has discretion to declare and distribute dividends to the shareholders of the Company, subject to the Bye-laws and all applicable laws and regulations. The Board will review the Dividend Policy from time to time and may exercise its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time as it deems fit and necessary. There is no assurance that dividends will be paid in any particular amount for any given period.

COMMUNICATION WITH SHAREHOLDERS

The Company has adopted a Shareholders' Communication Policy on 20 October 2015 reflecting mostly the current practices of the Company for communication with its shareholders. Information will be communicated to shareholders through:

– continuous disclosure to the Stock Exchange of all material information;

– periodic disclosure through the annual and interim reports;

– notices of meetings and explanatory material;

– the annual general meetings and other general meetings; and

– the Company's website.

Full text of the Shareholders' Communication Policy is available at the following link of the Company's website: http://chinneykinwing.etnet.com.hk/cg_doc/E-communicationpolicy.pdf.

SHAREHOLDERS' RIGHTS

1. Procedures for shareholders to convene a special general meeting

Pursuant to bye-law 58 of the Bye-laws, shareholders holding at the date of deposit of the requisition in aggregate not less than one-tenth of the voting rights (on a one vote per share basis) in the share capital of the Company may also make a requisition to convene a special general meeting and/or add resolutions to the agenda of a meeting. Such requisition shall be made in writing to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit, the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981, but any meeting so convened shall not be held after the expiration of three months from the said date.

The requisition must be signed by the requisitionists and deposited at the principal place of business of the Company at Room 2308, 23rd Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong (the "Principal Place of Business") for the attention of the Company Secretary.

The requisition will then be verified with the Company's Branch Share Registrar and Transfer Office in Hong Kong and upon its confirmation that the requisition is proper and in order, the Company Secretary will forward the requisition to the Board.

2. Procedures for shareholders to propose a person for election as a director of the Company

If a shareholder, who is duly qualified to attend and vote at the general meeting convened to deal with the appointment or election of Director(s), wishes to propose a person for election as a Director at that meeting, he/she shall have to lodge a written notice at the Company's headquarters at Room 2308, 23/F, Wing On Centre, 111 Connaught Road Central, Hong Kong, for the attention of the Company Secretary of the Company.

In order for the Company to inform all shareholders of that proposal, the written notice must state (i) his/her intention to propose such person for election as a Director, and (ii) the biographical details of such nominated candidate as required under Rule 13.51(2) of the Listing Rules for publication by the Company and be signed by the shareholder concerned and the person who has been proposed indicating his/her willingness to be elected.

The period for lodgement of the above notice shall be at least 10 business days commencing on the day after the despatch of the notice of the general meeting appointed for such election of Director(s) and ending on no later than 10 business days prior to the date of such general meeting.

Upon receipt of the above notice from a shareholder which is received after publication of the notice of general meeting, the Company shall, prior to the general meeting, publish an announcement or issue a supplementary circular disclosing the particulars of the proposed Director pursuant to Rule 13.51(2) of the Listing Rules.

Full text of the procedures for shareholders to propose a person for election as a director of the Company is available at the following link of the Company's website:
http://chinneykinwing.etnet.com.hk/cg_doc/E-proceduresforshareholders.pdf.

SHAREHOLDERS' RIGHTS *(continued)*

3. The procedures for sending enquiries to the Board

Shareholders and other stakeholders may send their enquiries and concerns in writing to the Board by addressing them to the Company Secretary at the Principal Place of Business and the Company Secretary shall then forward the same to the appropriate executives of the Company or members in the Board for further handling.

4. The procedures for putting forward proposals at shareholders' meetings

To put forward proposals at an annual general meeting or a special general meeting, the shareholders shall submit a written notice of those proposals with the detail contact information to the Company Secretary at the Principal Place of Business. The request will be verified with the Company's Branch Share Registrar and Transfer Office in Hong Kong and upon its confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the resolution in the agenda for the general meeting. Moreover, the notice period to be given to all the shareholders for consideration of the proposals submitted by the shareholders concerned varies as follows pursuant to bye-law 59(1) of the Bye-laws:

(a) for an annual general meeting, it shall be called by notice of not less than twenty-one clear days; and

(b) for all other general meetings, they must be called by notice of not less than fourteen clear days.

The directors of the Company (the "Directors") herein present their report of the Company and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. Its subsidiaries are principally engaged in foundation construction, and drilling and site investigation projects for both public and private sectors in Hong Kong. Details of the main subsidiaries and their activities are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, can be found in the Chairman's Statement on pages 10 and 11 of this Annual Report and the Management Discussion and Analysis set out on pages 32 to 34 of this Report of the Directors.

In the opinion of the Directors, Chinney Alliance Group Limited ("CAGL"), a company incorporated in Bermuda with limited liability and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), is the ultimate holding company of the Company.

CAGL and its subsidiaries, but excluding the Group, are hereafter collectively referred to as the "Remaining Group".

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2025 and the Group's financial position as at that date are set out in the financial statements on pages 48 to 112.

The board of Directors (the "Board") recommends the payment of a final dividend of HK2.0 cents per share for the year ended 31 December 2025 to the shareholders of the Company whose names appear on the Company's register of members on 15 June 2026. Subject to approval by the shareholders at the forthcoming annual general meeting, the dividend cheques are expected to be despatched to the shareholders on or before 7 July 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATION REVIEW

As at 31 December 2025, the Group had 12 and 50 projects in progress with contract sum of approximately HK$2,321 million and HK$1,063 million in the Foundation Division and Drilling Division, respectively.

Revenue

Set out below is the breakdown of revenue of the Group during the current and previous year:

	2025	2024
	HK$'000	*HK$'000*
Foundation Division	**1,921,117**	1,993,993
Drilling Division	**351,820**	491,669
	2,272,937	2,485,662

The Group's revenue for the year was HK$2,272.9 million (2024: HK$2,485.7 million), representing a decrease of HK$212.7 million or 8.6% from that of previous year. Revenue for our Foundation Division decreased from previous year of HK$1,994.0 million to the reporting year of HK$1,921.1 million, representing a decrease of HK$72.9 million or 3.7% while revenue for our Drilling Division decreased from previous year of HK$491.7 million to the reporting year of HK$351.8 million, representing a decrease of HK$139.8 million or 28.4%. The decrease of revenue was mainly due to higher-value contracts progressing toward finalisation for both Foundation Division and Drilling Division.

Gross profit and gross profit margin

The Group's total gross profit for the reporting year was HK$487.7 million (2024: HK$365.7 million), representing an increase of HK$122.1 million or 33.4% from that of previous year. Furthermore, the Group's overall gross profit margin increased from previous year of 14.7% to the reporting year of 21.5%. The increase in total gross profit and gross profit margin was due to decrease in material costs. We continued to secure new projects with the professionalism of our project management teams and stringent project cost control by ensuring minimum construction cost incurred in return for desired construction qualities achieved.

Other income and gains

The Group recorded other income and gains in the reporting year of HK$30.6 million, representing an increase of HK$2.9 million or 10.4% as compared with previous year of HK$27.7 million. The increase in other income and gains was mainly attributed to the full year interest income from a loan to a related company of HK$15.0 million in the reporting year, representing an increase of HK$11.5 million or 328.6% as compared to HK$3.5 million for previous year. However, such increase was partly set-off by the decrease in interest income earned by the Group from cash deposits with licensed banks from previous year of HK$22.9 million, representing a decrease of HK$10.4 million or 45.2% to current reporting year of HK$12.6 million due to decrease in interest rate. The Group will continue to closely monitor the cashflow position and maximise the bank interest income earned therefrom.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

BUSINESS AND OPERATION REVIEW *(continued)*

Administrative expenses

The Group's administrative expenses in the reporting year was HK$350.4 million, representing an increase of HK$113.1 million or 47.7% as compared with the previous corresponding year of HK$237.3 million. The increase in administrative expenses was mainly due to the increase in staff costs of HK$110.5 million in the reporting year in recruiting and retaining competitive personnel as well as performance bonus to the directors in reward for their contribution to the Group. The Group will persistently adopt stringent control policies to monitor the extent of administrative expenses.

Net profit

The Group's net profit in the reporting year was HK$133.1 million, representing an increase of 4.7% or HK$6.0 million, as compared with the previous corresponding year of HK$127.1 million. The increase of net profit was mainly attributed to the increased gross profit of HK$122.1 million which being generated from the construction projects, and partially set-off by increased staff costs in administrative expenses of HK$110.5 million and increased income tax expense of HK$4.8 million in the reporting year.

FINANCIAL REVIEW

Liquidity and financial resources

As at 31 December 2025, the Group had unpledged cash and bank balances of HK$742.4 million as compared with that of HK$562.5 million at 31 December 2024. The increase of cash and bank balances of HK$179.8 million was recorded after providing payment of 2024 final and special dividend of HK$60.0 million, capital payment of HK$93.2 million in acquisition of machineries and motor vehicles, together with net cash inflow from certain sizeable foundation and site investigation contracts in the reporting year. The Group maintained a sound financial position and remained debt free during the reporting year.

Funding and treasury policy

The Group has a prudent funding and treasury policy. Surplus funds are mainly maintained in the form of cash deposits with licensed banks. To manage liquidity risk, the Board closely monitors the Group's position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Contingent liabilities

As at 31 December 2025, the Group provided corporate guarantees and counter indemnities to certain banks for an aggregate amount of HK$237.4 million (2024: HK$268.5 million) for the issue of performance bonds in its ordinary course of business.

Employees and remuneration policies

As at 31 December 2025, the Group employed 628 staff in Hong Kong. The Group is proud of the professional foundation and drilling contracting team formed by these colleagues. Remuneration packages are reviewed annually and determined by reference to market pay and individual performance. In addition to salary payments and discretionary bonuses, the Group also provides other employment benefits including medical insurance cover, provident fund and educational subsidies to eligible staff.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

OUTLOOK AND FUTURE PLANS

In 2025, Kin Wing significantly strengthened its operational capacity through the acquisition of a substantial fleet of bored pile equipment. Together with an enlarged depot facility exceeding 200,000 sq. ft., these strategic investments enhance our capabilities and establish Kin Wing as one of the most robust and well-equipped machinery fleets in Hong Kong and positioning itself for anticipated future requirements. Another subsidiary, DrilTech, continues to strengthen its market presence through new ground investigation contracts, leveraging its HOKLAS-accredited Koden Test capabilities. DrilTech will further extend its service offerings in 2026 with the introduction of marine ground investigation services via a purpose-built exploration vessel. Having developed a comprehensive portfolio spanning site investigation, instrumentation, marine ground investigation and field testing, DrilTech has secured placement on a significant NEC4 Framework Contract, validating the Group's technical leadership and specialised capabilities.

With tremendous contribution by the CKW Academy, the Group's priorities include workflow optimisation, enhanced cost management and strengthened cross-functional collaboration. The Group is bolstering operational resilience through advanced AI-enabled monitoring systems and IT infrastructure upgrades, while its Method Statement ensures consistent delivery excellence and uncompromising safety standards.

The Group continues to maintain a disciplined approach amid intensified competition, limited project opportunities, and rising labour costs and fuel costs. The fire incident at Wang Fuk Court was a profound tragedy, and the Group extends its sincere condolences to the affected families and the community. Consequently, the Group anticipates heightened regulatory oversight across the industry, resulting in more stringent site management protocols and increased compliance requirements. Along with subdued market conditions and raised expectations, the Group will endeavor to foster its culture with central idea of rejecting mediocrity and embracing excellence in 2026.

Looking ahead, the Group remains cautiously optimistic about the outlook for Hong Kong's foundation and construction sectors. Its strategy focuses on strengthening core capabilities, pursuing measured operational growth and selectively capturing opportunities, while remaining open to partnerships that align with its long-term vision. The industry's transition toward sustainable practices represents both a responsibility and an opportunity. The Group has implemented comprehensive Environmental, Social and Governance (ESG) frameworks throughout its operations, incorporating advanced ecological construction methodologies and sophisticated waste management systems. This strategic commitment aligns with regulatory priorities while enhancing its competitive positioning for future development opportunities.

The broader construction landscape continues to transform, presenting diversified opportunities alongside operational challenges. Public housing initiatives and Northern Metropolis infrastructure developments are accelerating, while private developers recalibrate strategies in response to evolving market dynamics. These conditions favour contractors with technical versatility and proven project management expertise. The Group's extensive industry experience, operational capabilities, and financial stability position it well to navigate market complexities while delivering consistent value to stakeholder. Its demonstrated adaptability, together with a continued commitment to operational excellence, further distinguishes the Group within Hong Kong's evolving construction landscape.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and assets, liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out below.

RESULTS

	Year ended 31 December				
	2025	2024	2023	2022	2021
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE	**2,272,937**	2,485,662	2,122,397	1,805,843	2,042,378
PROFIT FOR THE YEAR	**133,129**	127,118	120,466	96,024	66,693

ASSETS AND LIABILITIES

	As at 31 December				
	2025	2024	2023	2022	2021
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TOTAL ASSETS	**2,035,430**	2,004,549	1,756,752	1,525,661	1,214,049
TOTAL LIABILITIES	**(1,154,058)**	(1,201,392)	(1,026,546)	(872,501)	(641,219)
	881,372	803,157	730,206	653,160	572,830

The information set out above does not form part of the audited financial statements.

SHARE CAPITAL

There were no movements in the Company's share capital during the year.

PRE-EMPTIVE RIGHTS

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

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, every Director 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 coverage for the directors and officers of the Group throughout the year.

DISTRIBUTABLE RESERVES

Under the laws of Bermuda, the Company's reserves available for distribution to shareholders amounted to HK$74,117,000 as at 31 December 2025, of which HK$30,000,000 has been proposed as final dividends for the year. In addition, the Company's share premium account, in the amount of HK$63,628,000 may be distributed to shareholders of the Company in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, sales to the Group's five largest customers accounted for 70% of the total sales for the year and sales to the largest customer included therein amount to 29%. Purchases from the Group's five largest suppliers accounted for 13% of the total purchase for the year and purchase from the largest supplier included therein amounted to 3%.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's share capital) had any beneficial interest in the Group's five largest customers nor suppliers.

DIRECTORS

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

Executive Directors:

Yuen-Keung Chan *(Chairman)*
James Sing-Wai Wong
Wing-Sang Yu *(Managing Director)*
Philip Bing-Lun Lam
Hon-Man Wai
Hoi-Fan Lam

Independent Non-Executive Directors:

Siu-Chee Kong
Ivan Ti-Fan Pong
Robert Che-Kwong Tsui
Kit-Sum Ling

The Company has received written annual confirmations of independence from Mr. Siu-Chee Kong, Mr. Ivan Ti-Fan Pong, Mr. Robert Che-Kwong Tsui and Ms. Kit-Sum Ling pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited (the "Listing Rules") and the Company is of the view that all independent non-executive Directors are independent.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with bye-law 84 of the Bye-laws, Mr. Philip Bing-Lun Lam, Mr. Hon-Man Wai, Mr. Hoi-Fan Lam and Mr. Ivan Ti-Fan Pong ("Mr. Pong") will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The proposed re-election of Mr. Pong as independent non-executive Director was made in accordance with the nomination policy of the Company and took into account a wide range of diversity perspectives, including but not limited to gender, age, cultural background, educational background, professional expertise, industry experience, skills and knowledge as set out under the board diversity policy of the Company.

The nomination committee of the Company (the "Nomination Committee") had also assessed and reviewed the written confirmation of independence of Mr. Pong, based on the independence criteria as set out in Rule 3.13 of the Listing Rules and is satisfied that as at the date of this report, Mr. Pong remained independent in accordance with Rule 3.13 of the Listing Rules. Despite the fact that Mr. Pong has been serving as an independent non-executive Director for more than 9 years, he has fulfilled the independence criteria set out in Rule 3.13 of the Listing Rules throughout his tenures of office. In addition, Mr. Pong's extensive knowledge and experience in property market can provide valuable independent advice to the Board and he is free from any business or other relationship with the Company which could interfere with his exercise of independent judgment. The Board is of the view that the long service of Mr. Pong would not affect his exercise of independent judgement and is satisfied that Mr. Pong has the required character, integrity and experience to continue to fulfill the roles of independent non-executive Director.

In addition, the Nomination Committee had evaluated the performance of Mr. Pong and is of the view that Mr. Pong has provided valuable contributions to the Company and has demonstrated his abilities to provide independent, balanced and objective view to the Company's affairs. The Nomination Committee is also of the view that Mr. Pong would bring to the Board his own perspective, skills and experience, as further described in his biography as set out on page 14 of this Annual Report, and can contribute to the diversity of the Board taking into account his diversified educational background and professional experience. The Board, with the recommendation of Nomination Committee, believes that the re-election of Mr. Pong as the independent non-executive Director would be in the best interests of the Company and its shareholders as a whole and recommends his re-election at the forthcoming annual general meeting.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out on pages 12 to 17 of the Annual Report.

DIRECTORS' SERVICE CONTRACTS

No Director has a service contract with any member of the Group which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The directors' remuneration is subject to shareholders' approval at general meetings. The remuneration of the Directors is reviewed by the Remuneration Committee having regard to the Company's operating results, individual performance of the Directors and comparable market statistics. Details of the directors' remuneration are set out in note 9 to the financial statements.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Except as disclosed in note 30 to the financial statements, no director nor a connected entity of a director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, the holding company of the Company, or any of the Company's subsidiaries or fellow subsidiaries was a party during the year.

CONNECTED TRANSACTIONS

The Company entered into the following one-off connected transaction and continuing connected transactions during the year ended 31 December 2025. Details of the transactions are set out below:

(a) Connected Transaction under the Loan Agreement

On 25 July 2024, the Company entered into a loan agreement (the "Loan Agreement") with Chinney Investments, Limited ("Chinney Investments") where the Company (as a lender), agreed to provide a loan in the principal amount of up to HK$250,000,000 to Chinney Investments (as a borrower), at the interest rate of 6% per annum for 12 months from the date of drawdown, with an option for extension of further 12 months subject to the approval of the Company. A controlling shareholder of the Company has a beneficial interest in Chinney Investments. The entering into of the Loan Agreement and the transactions contemplated thereunder constituted a connected transaction of each of the Company and CAGL under Chapter 14A of the Listing Rules. The transaction was approved by the independent shareholders of each of the Company and CAGL on their respective special general meetings on 25 September 2024. On 7 October 2024, the Company advanced HK$250 million to Chinney Investments upon receipt its drawdown notice. On 5 September 2025, Chinney Investments served a written request to the Company for the extension of the term of the loan for further 12 months. The request for extension was approved by the Company.

For details of the Loan Agreement and the transaction contemplated thereunder, please refer to the joint announcement of the Company and CAGL dated 25 July 2024 and the Company's circular dated 4 September 2024.

During the year ended 31 December 2025, interest income receivable/received by the Group under the Loan Agreement amounted to approximately HK$15.0 million.

(b) Continuing Connected Transactions under the Framework Agreement

Pursuant to a framework agreement dated 25 July 2024 and a supplement agreement dated 29 August 2024 (collectively, the "Framework Agreement") entered between the Company and CAGL, member(s) of the Remaining Group may engage member(s) of the Group to provide certain services in the ordinary and usual course of businesses of the Group (the "Services") by means of tendering procedures, and member(s) of the Group may provide the Services to member(s) of the Remaining Group upon successful tender award, for a term of three years commenced from 1 January 2025 and ending on 31 December 2027 (both dates inclusive), subject to the annual caps of HK$135 million for each of the three years ending 31 December 2025, 2026 and 2027 (the "Annual Caps") as set out in the Framework Agreement. CAGL is beneficially interested in 74.5% of the entire issued share capital of the Company and is therefore, a controlling shareholder and a connected person of the Company. The entering into of the Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The transaction was approved by the independent shareholders of the Company at a general meeting held on 25 September 2024.

CONNECTED TRANSACTIONS *(continued)*

(b) Continuing Connected Transactions under the Framework Agreement *(continued)*

For details of the Framework Agreement and the transactions contemplated thereunder, please refer to the Company's announcement dated 25 July 2024 and circular dated 4 September 2024.

During the year ended 31 December 2025, services fees receivable/received by the Group under the Framework Agreement was Nil.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors in 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 (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

	Number of shares held, capacity and nature of interest				
Name of Director	**Personal interests**	**Family interests**	**Corporate interests**	**Total**	**Percentage of the Company's issued share capital**
Wing-Sang Yu	5,000,000	–	–	5,000,000	0.33%

Save as disclosed above, as at 31 December 2025, none of the Directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, the interests and short positions of those persons in the shares and underlying shares of the Company as recorded in the register of interests required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in ordinary shares of the Company:

Name	*Notes*	**Capacity and nature of interest**	**Number of ordinary shares held**	**Percentage of the Company's issued share capital**
Medeline May-Lung Wong Cha	*1*	Interest through controlled corporations	1,117,500,000	74.50%
Chinney Alliance Group Limited		Beneficial owner	1,117,500,000	74.50%
Enhancement Investments Limited	*1, 2*	Interest through a controlled corporation	1,117,500,000	74.50%

Notes:

1. Madam Madeline May-Lung Wong Cha (executor of the estate of late Dr. James Sai-Wing Wong ("Dr. Wong")), and Enhancement Investments Limited are deemed to be interested in the same parcel of 1,117,500,000 shares by virtue of Section 316 of the SFO; and

2. Madam Madeline May-Lung Wong Cha (executor of the estate of late Dr, Wong) has beneficial interest in Enhancement Investments Limited.

Save as disclosed above, as at 31 December 2025, no person had registered an interest or short positions in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

NON-COMPETITION UNDERTAKING

To ensure that there is a clear delineation between the business of the Remaining Group and that of the Group, CAGL, late Dr. James Sai-Wing Wong and the Company entered into a Deed of Non-competition (the "Deed") on 20 October 2015. Pursuant to the Deed, CAGL and late Dr. James Sai-Wing Wong undertake that the Remaining Group would not, inter alia, engage in any foundation business that is or is likely to be in competition with that of the Group. For details about the above-mentioned Deed, please refer to section headed "Relationship with Controlling Shareholders" in the Prospectus dated 30 October 2015. Such Deed is no longer bound by Dr. James Sai-Wing Wong upon his passing away on 16 February 2025.

CAGL had confirmed to the Company of its compliance with the Deed. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Deed have been complied with by CAGL and duly enforced for the year ended 31 December 2025.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to build an environmental-friendly corporation with the aim to conserve natural resources. The Group has taken initiatives to reduce energy consumption and water usage and encourage recycle of office supplies and other materials. The Group will continue to review and promote its environmental policies.

During the year ended 31 December 2025, there were no material breach of or non-compliance with applicable laws and regulations by the Group that have significant impact on the business and operations of the Group.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group's relationships with its employees are set out in the Management Discussion and Analysis section above.

The Group recognises the importance of maintaining good relationships with business partners, customers, suppliers and sub-contractors to achieve its long-term business growth and development. Accordingly, the Group has kept good communications and shared business updates with them when appropriate.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total number of issued shares were held by the public as at the date of this report.

AUDITOR

Ernst & Young retire and a resolution for their reappointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board
Wing-Sang Yu
Managing Director

Hong Kong, 26 March 2026

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To the shareholders of Chinney Kin Wing Holdings Limited
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Chinney Kin Wing Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 48 to 112, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy 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 (the "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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Revenue recognition for construction services	
For the year ended 31 December 2025, the Group recognised revenue from construction contracting businesses amounting to HK$2,272,937,000. The Group has recognised revenue from the provision of construction services over time, using an input method to measure progress towards complete satisfaction of the services, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services. This involves the use of management judgements and estimation uncertainty, including estimating the progress towards completion of the services, scope of deliveries and services required, total contract costs incurred, forecasting the costs to complete a contract, valuing contract variations, claims and potential liquidated damages and estimating the provision for onerous contracts. Relevant disclosures are included in notes 3 and 5 to the financial statements.	We performed the following procedures in relation to revenue recognition for construction services: • evaluating the significant judgements made by management, through an examination of project documentation, key contracts and variation orders; • discussing the status of projects under construction, including estimated costs to completion, assessment of potential liquidated damages for major contracts and provision for onerous contracts, with management, finance, and technical personnel of the Group; • understanding the Group's processes to record/estimate contract revenue, actual costs incurred and the estimated total costs; • checking, on a sampling basis, the payment certificates issued by the architects employed by contract customers, payment applications from subcontractors and invoices from suppliers; and • checking the estimated total costs for satisfaction of the construction contracts to the subcontractors and suppliers' quotation, and comparing actual costs incurred with the estimated total costs for satisfaction of construction services to assess the status of the projects on a sampling basis.

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of trade receivables and contract assets	
As at 31 December 2025, the Group recorded trade receivables of HK$117,575,000, net of impairment of HK$17,239,000 and contract assets of HK$372,817,000, net of impairment of HK$10,876,000. The measurement on the Group's trade receivables and contract assets under the expected credit loss approach was estimated by management through the application of management judgements and estimations. The credit period granted by the Group to the customers is generally one month. Management performs periodic assessment on the recoverability of the trade receivables and contract assets based on information including credit profiles of different customers, ageing of the trade receivables, historical settlement records, subsequent settlement or the billing status, expected timing and the amount of realisation of outstanding balances, on-going trading relationships, and information in media coverage with the relevant customers. Management also considers forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the expected credit losses for the impairment assessment. Relevant disclosures are included in notes 3, 17 and 18 to the financial statements.	We performed the following procedures in relation to impairment assessment of trade receivables and contract assets: • understanding the Group's processes of assessing the expected credit losses for trade receivables and contract assets; and • evaluating the expected credit loss provisioning methodology, key data inputs and assumptions, including both historical and forward-looking information, used to determine the expected credit losses by taking into account factors such as ageing of trade receivables, subsequent settlements of trade receivables and subsequent transfers of contract assets to trade receivables, information in media coverage of customers, data of the gross domestic product and consumer price index used in forward-looking information, and other relevant information on a sampling basis.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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 THE DIRECTORS 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, 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.

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

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism 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 consolidated 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.

We communicate with the Audit Committee 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 the Audit Committee 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.

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

From the matters communicated with the Audit Committee, 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 this independent auditor's report is Fok Lai Ching (practising certificate number: P06559).

Ernst & Young
Certified Public Accountants

Hong Kong
26 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
REVENUE	5	**2,272,937**	2,485,662
Cost of construction		**(1,785,208)**	(2,119,996)
Gross profit		**487,729**	365,666
Other income and gains	6	**30,616**	27,739
Administrative expenses		**(350,378)**	(237,296)
Impairment of trade receivables		**(4,468)**	(3,313)
Impairment of contract assets		**–**	(115)
Finance costs	8	**(155)**	(97)
PROFIT BEFORE TAX	7	**163,344**	152,584
Income tax expense	11	**(30,215)**	(25,466)
PROFIT FOR THE YEAR		**133,129**	127,118
Profit attributable to:			
Equity holders of the Company		**133,129**	127,118
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	13		
Basic and diluted		**HK8.88 cents**	HK8.47 cents

	Note	2025 HK$'000	2024 HK$'000
PROFIT FOR THE YEAR		**133,129**	127,118
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Surplus on revaluation of leasehold land	15	**5,086**	5,833
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**5,086**	5,833
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**138,215**	132,951
Attributable to:			
Equity holders of the Company		**138,215**	132,951

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**302,334**	300,052
Right-of-use assets	15	**206,406**	190,958
Investment in an associate	16	**121**	121
Deposits	19	**8,653**	10,930
Total non-current assets		**517,514**	502,061
CURRENT ASSETS			
Trade receivables	17	**117,575**	203,081
Contract assets	18	**372,817**	439,576
Prepayments, deposits and other receivables	19	**35,040**	35,568
Due from a fellow subsidiary	23	**129**	129
Loan to a related company	24	**250,000**	250,000
Tax recoverable		**–**	11,604
Cash and cash equivalents	20	**742,355**	562,530
Total current assets		**1,517,916**	1,502,488
CURRENT LIABILITIES			
Trade and retention monies payables	21	**111,019**	265,633
Other payables and accruals	22	**967,409**	888,225
Tax payable		**31,798**	5,628
Total current liabilities		**1,110,226**	1,159,486
NET CURRENT ASSETS		**407,690**	343,002
TOTAL ASSETS LESS CURRENT LIABILITIES		**925,204**	845,063
NON-CURRENT LIABILITIES			
Deferred tax liabilities	25	**26,159**	41,906
Lease liabilities	15	**17,673**	–
Total non-current liabilities		**43,832**	41,906
Net assets		**881,372**	803,157

	Note	2025 HK$'000	2024 HK$'000
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	26	**150,000**	150,000
Reserves		**731,372**	653,157
Total equity		**881,372**	803,157

On behalf of the Board
Yuen-Keung Chan
Director

On behalf of the Board
Wing-Sang Yu
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Issued capital HK$'000	Share premium* HK$'000	Capital reserve* HK$'000	Merger reserve* HK$'000	Asset revaluation reserve* HK$'000	Retained profits* HK$'000	Total equity HK$'000
At 1 January 2024	150,000	63,628	(1)	20,002	32,585	463,992	730,206
Profit for the year	–	–	–	–	–	127,118	127,118
Other comprehensive income for the year: Surplus on revaluation of leasehold land *(note 15)*	–	–	–	–	5,833	–	5,833
Total comprehensive income for the year	–	–	–	–	5,833	127,118	132,951
Release of revaluation reserve on leasehold land to retained profits	–	–	–	–	(1,123)	1,123	–
2023 final dividend and special dividend	–	–	–	–	–	(60,000)	(60,000)
At 31 December 2024 and 1 January 2025	**150,000**	**63,628**	**(1)**	**20,002**	**37,295**	**532,233**	**803,157**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**133,129**	**133,129**
Other comprehensive income for the year: Surplus on revaluation of leasehold land *(note 15)*	**–**	**–**	**–**	**–**	**5,086**	**–**	**5,086**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**5,086**	**133,129**	**138,215**
Release of revaluation reserve on leasehold land to retained profits	**–**	**–**	**–**	**–**	**(1,335)**	**1,335**	**–**
2024 final dividend and special dividend *(note 12)*	**–**	**–**	**–**	**–**	**–**	**(60,000)**	**(60,000)**
At 31 December 2025	**150,000**	**63,628**	**(1)**	**20,002**	**41,046**	**606,697**	**881,372**

The merger reserve of the Group represents the capital contribution from the equity holders of a subsidiary now comprising the Group before the completion of the reorganisation.

* These reserve accounts comprise the consolidated reserves of HK$731,372,000 (2024: HK$653,157,000) in the consolidated statement of financial position.

	Notes	2025 HK$'000	2024 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**163,344**	152,584
Adjustments for:			
Bank interest income	6	**(12,582)**	(22,941)
Interest income from a loan to related company	6	**(15,000)**	(3,534)
Finance costs	8	**155**	97
Depreciation of property, plant and equipment	7	**62,515**	65,994
Depreciation of right-of-use assets	7	**10,464**	9,901
Transfer of items of property, plant and equipment to cost of construction		**20,647**	2,105
Loss on disposal of items of property, plant and equipment, net	7	**1,901**	537
Impairment of trade receivables	7	**4,468**	3,313
Impairment of contract assets	7	**–**	115
		235,912	208,171
Decrease/(increase) in contract assets		**66,759**	(71,605)
Decrease in trade receivables		**81,038**	91,181
(Increase)/decrease in prepayments, deposits and other receivables		**(146)**	3,969
Decrease in an amount due from a fellow subsidiary		**–**	1,593
(Decrease)/increase in trade and retention monies payables		**(154,614)**	23,540
Increase in other payables and accruals		**77,174**	146,999
Cash generated from operations		**306,123**	403,848
Hong Kong profits tax paid		**(8,188)**	(26,904)
Net cash flows from operating activities		**297,935**	376,944
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**27,582**	22,941
Advance of a loan to a related company		**–**	(250,000)
Purchases of items of property, plant and equipment		**(87,451)**	(90,590)
Proceeds from disposal of items of property, plant and equipment		**5,894**	8,509
Increase in deposits paid for acquisition of property, plant and equipment		**(2,837)**	(10,930)
Net cash flows used in investing activities		**(56,812)**	(320,070)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(60,000)**	(60,000)
Principal portion of lease payments	27(b)	**(1,298)**	(879)
Net cash flows used in financing activities		**(61,298)**	(60,879)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**179,825**	(4,005)
Cash and cash equivalents at beginning of year		**562,530**	566,535
CASH AND CASH EQUIVALENTS AT END OF YEAR		**742,355**	562,530
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	20	**192,679**	167,457
Non-pledged time deposits with original maturity of less than three months when acquired	20	**549,676**	395,073
Cash and cash equivalents as stated in the consolidated statement of cash flows		**742,355**	562,530

1. CORPORATE INFORMATION

Chinney Kin Wing Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda on 29 May 2015. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is located at Room 2308, 23/F, Wing On Centre, 111 Connaught Road Central, Hong Kong.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 11 November 2015.

The Company is an investment holding company. During the year, the Company's subsidiaries were principally involved in foundation construction and drilling and site investigation works for both public and private sectors in Hong Kong.

In the opinion of the directors, as at 31 December 2025, Chinney Alliance Group Limited ("CAGL"), a company incorporated in Bermuda with limited liability and listed on the Main Board of the Stock Exchange, is the ultimate holding company of the Company.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Kin Wing Chinney (BVI) Limited	British Virgin Islands	US$208	100	–	Investment holding
Chinney Kin Wing Property Limited	Hong Kong	HK$10,000	–	100	Investment holding
CKW Machinery Limited	Hong Kong	HK$100	–	100	Equipment and machinery leasing
DrilTech Geotechnical Engineering Limited	Hong Kong	HK$20,000,000	–	100	Drilling, site investigation and related ground engineering construction
DrilTech Ground Engineering Limited	Hong Kong	HK$20,000,000	–	100	Drilling, site investigation and related ground engineering construction
DrilTech Ground Engineering (Macau) Limited	Macau	MOP1,000,000	–	100	Drilling, site investigation and related ground engineering construction

1. CORPORATE INFORMATION *(continued)*

Information about subsidiaries *(continued)*

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
DrilTech Ground Engineering (Singapore) Pte. Ltd.	Singapore	S$25,000	–	100	Drilling, site investigation and related ground engineering construction
Everest Engineering Company Limited	Hong Kong	HK$10,000	–	100	Basement construction work
Kin Wing Engineering Company Limited	Hong Kong	HK$20,000,000	–	100	Foundation piling
Kin Wing Foundations Limited	Hong Kong	HK$8,000,000	–	100	Foundation piling
Kinwing Engineering (Macau) Company Limited	Macau	MOP1,000,000	–	100	Foundation piling
LabTech Testing Limited	Hong Kong	HK$10,000	–	100	Construction material testing
CKW Innovation & Technologies Centre Limited	Hong Kong	HK$1	–	100	Dormant

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for leasehold land which has been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

2. ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

Basis of consolidation *(continued)*

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. ACCOUNTING POLICIES *(continued)*

2.2 Changes in accounting policies and disclosures

The Group has adopted the following amended HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKAS 21	*Lack of Exchangeability*

The adoption of the revised HKFRS Accounting Standards has had no significant financial impact on these financial statements.

2.3 Issued but not yet effective HKFRS Accounting Standards

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[2]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised HKFRS Accounting Standards upon initial application but is not yet in a position to state whether these new and revised HKFRS Accounting Standards would have a significant impact on the Group's financial performance and financial position.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies

Investment in an associate

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it 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.

The Group's investment in an associate is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Fair value measurement

The Group measures its leasehold land at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than construction contract assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the lease terms or 10% – $33^1/_3$%
Plant and machinery	6% – 25%
Motor vehicles	25%
Furniture, fixtures and equipment	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Leases

The Group assesses at contract inception whether a contract is, or contains, 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.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Leases *(continued)*

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost or valuation, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leased land	Over the lease term
Leasehold land	Over the lease term

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of leasehold land including in right-of-use assets are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to profit or loss. Any subsequent revaluation surplus is credited to profit or loss to the extent of the deficit previously charged. An annual transfer from the asset revaluation reserve to retained profits is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset's original cost. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Leases *(continued)*

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are separately presented in the consolidated statement of financial position.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases 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 an expense on a straight-line basis over the lease term.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss, as appropriate.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement of financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there have been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain case, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Impairment of financial assets *(continued)*

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, retention monies payable and financial liabilities included in other payables and accruals.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables)

After initial recognition, trade and other payables are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at bank, and short term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less any bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Income tax *(continued)*

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each 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 deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Construction services

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Claims to customers are amounts that the Group seeks to collect from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract. Claims are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group uses the more likely amount method to estimate the amounts of claims because this method best predicts the amount of variable consideration to which the Group will be entitled.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Revenue recognition *(continued)*

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Macau are required to participate in a central pension scheme operated by the Macau Government. The subsidiaries are required to contribute a fixed amount of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Dividends

Final dividends and special dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends and special dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item. (i.e., translation difference on item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Foreign currencies *(continued)*

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollars. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their profits or losses are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Judgements *(continued)*

Revenue recognition for construction services

For the year ended 31 December 2025, the Group recognised revenue from construction contracting businesses amounting to HK$2,272,937,000 (2024: HK$2,485,662,000). The Group has recognised revenue from the provision of construction services over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services. This involves the use of management judgements and estimation uncertainty, including estimating the progress towards completion of the services, scope of deliveries and services required, total contract costs incurred, forecasts in relation to costs to complete a contract, valuing contract variations, claims and potential liquidated damages and estimating the provision for onerous contracts.

Estimation uncertainty

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

Impairment of property, plant and equipment

The Group assesses at the end of the reporting period whether there is an indication that property, plant and equipment and right-of-use assets may be impaired. If any indication exists, the Group estimates the recoverable amount of the property, plant and equipment and right-of-use assets. The Group measures the recoverable amount of the property, plant and equipment and right-of-use assets with reference to their value-in-use. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from property, plant and equipment and right-of-use assets and a suitable discount rate in order to calculate the present value. The net carrying amounts of property, plant and equipment and right-of-use assets at 31 December 2025 were approximately HK$302,334,000 (2024: HK$300,052,000) and HK$206,406,000 (2024: HK$190,958,000), respectively.

Provision for expected credit losses on trade receivables and contract assets

Management performs periodic assessment on the recoverability of trade receivables and contract assets based on information including credit profile of different customers, ageing of trade receivables, historical settlement records, subsequent settlement or billing status, expected timing and amount of realisation of outstanding balances, on-going trading relationships, and information in media coverage with the relevant customers.

Other than specific impairment allowance, the Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Estimation uncertainty *(continued)*

Provision for expected credit losses on trade receivables and contract assets *(continued)*

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in notes 17 and 18 to the financial statements, respectively.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has two reportable operating segments as follows:

– Foundation construction and ancillary services (the "Foundation Division"); and

– Drilling and site investigation (the "Drilling Division").

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income and finance costs as well as unallocated corporate gains and expenses are excluded from such measurement.

Segment assets exclude other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2025

	Foundation construction and ancillary services *HK$'000*	Drilling and site investigation *HK$'000*	Total *HK$'000*
Segment revenue:			
Sales to external customers	1,921,117	351,820	2,272,937
Intersegment sales	–	23,238	23,238
Other revenue	13,670	1,888	15,558
	1,934,787	376,946	2,311,733
Reconciliation:			
Elimination of intersegment sales			(23,238)
Other revenue			(15,558)
Revenue			2,272,937
Segment results	122,789	35,730	158,519
Reconciliation:			
Corporate and other unallocated expenses			(22,602)
Interest income			27,582
Finance costs			(155)
Profit before tax			163,344
Segment assets	1,431,700	333,772	1,765,472
Reconciliation:			
Corporate and other unallocated assets			269,958
Total assets			2,035,430
Segment liabilities	578,565	563,960	1,142,525
Reconciliation:			
Corporate and other unallocated liabilities			11,533
Total liabilities			1,154,058
Other segment information:			
Investment in an associate	121	–	121
Depreciation of property, plant and equipment	51,263	11,252	62,515
Depreciation of right-of-use assets	10,464	–	10,464
Impairment of trade receivables	4,468	–	4,468
Capital expenditure*	87,796	5,443	93,239

* Capital expenditure represents additions to property, plant and equipment.

4. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2024

	Foundation construction and ancillary services HK$'000	Drilling and site investigation HK$'000	Total HK$'000
Segment revenue:			
Sales to external customers	1,993,993	491,669	2,485,662
Intersegment sales	–	50,589	50,589
Other revenue	19,997	4,207	24,204
	2,013,990	546,465	2,560,455
Reconciliation:			
Elimination of intersegment sales			(50,589)
Other revenue			(24,204)
Revenue			2,485,662
Segment results	113,064	35,810	148,874
Reconciliation:			
Corporate and other unallocated expenses			(22,668)
Interest income			26,475
Finance costs			(97)
Profit before tax			152,584
Segment assets	1,389,770	358,994	1,748,764
Reconciliation:			
Corporate and other unallocated assets			255,785
Total assets			2,004,549
Segment liabilities	878,546	312,495	1,191,041
Reconciliation:			
Corporate and other unallocated liabilities			10,351
Total liabilities			1,201,392
Other segment information:			
Investment in an associate	121	–	121
Depreciation of property, plant and equipment	52,822	13,172	65,994
Depreciation of right-of-use assets	9,901	–	9,901
Impairment/(reversal of impairment) of contract assets	1,988	(1,873)	115
Impairment of trade receivables	3,313	–	3,313
Capital expenditure*	65,108	25,482	90,590

* Capital expenditure represents additions to property, plant and equipment.

4. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

	2025	2024
	HK$'000	*HK$'000*
Hong Kong	**2,272,937**	2,485,662

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2025	2024
	HK$'000	*HK$'000*
Hong Kong	**517,514**	502,061

The non-current asset information above is based on the locations of the assets.

Information about major customers

Revenue from each of the major customers, which amounted to 10% or more of the Group's revenue, is set out below:

	2025	2024
	HK$'000	*HK$'000*
Customer A	**663,242**	323,594
Customer B	**560,212**	548,033

5. REVENUE

An analysis of the Group's revenue is as follows:

	2025	2024
	HK$'000	*HK$'000*
Revenue from contract with customers		
Construction services	**2,272,937**	2,485,662

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2025

Segments	**Foundation construction and ancillary services**	**Drilling and site investigation**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Type of services			
Construction services	**1,921,117**	**351,820**	**2,272,937**
Geographical markets			
Hong Kong	**1,921,117**	**351,820**	**2,272,937**
Total revenue from contracts with customers	**1,921,117**	**351,820**	**2,272,937**
Timing of revenue recognition			
Services transferred over time	**1,921,117**	**351,820**	**2,272,937**
Revenue from contracts with customers			
External customers	**1,921,117**	**351,820**	**2,272,937**
Intersegment sales	**–**	**23,238**	**23,238**
Other revenue	**13,670**	**1,888**	**15,558**
	1,934,787	**376,946**	**2,311,733**
Elimination of intersegment sales	**–**	**(23,238)**	**(23,238)**
Other revenue	**(13,670)**	**(1,888)**	**(15,558)**
Total revenue from contracts with customers	**1,921,117**	**351,820**	**2,272,937**

5. REVENUE *(continued)*

Revenue from contracts with customers *(continued)*

(i) Disaggregated revenue information *(continued)*

For the year ended 31 December 2024

Segments

	Foundation construction and ancillary services *HK$'000*	Drilling and site investigation *HK$'000*	Total *HK$'000*
Type of services			
Construction services	1,993,993	491,669	2,485,662
Geographical markets			
Hong Kong	1,993,993	491,669	2,485,662
Total revenue from contracts with customers	1,993,993	491,669	2,485,662
Timing of revenue recognition			
Services transferred over time	1,993,993	491,669	2,485,662
Revenue from contracts with customers			
External customers	1,993,993	491,669	2,485,662
Intersegment sales	–	50,589	50,589
Other revenue	19,997	4,207	24,204
	2,013,990	546,465	2,560,455
Elimination of intersegment sales	–	(50,589)	(50,589)
Other revenue	(19,997)	(4,207)	(24,204)
Total revenue from contracts with customers	1,993,993	491,669	2,485,662

5. REVENUE *(continued)*

Revenue from contracts with customers *(continued)*

(i) Disaggregated revenue information *(continued)*

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025	2024
	HK$'000	*HK$'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Construction services	**348,586**	343,143
Revenue recognised from performance obligations satisfied in previous periods:		
Construction services not previously recognised	**601**	2,474

(ii) Performance obligations

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025	2024
	HK$'000	*HK$'000*
Amounts expected to be recognised as revenue:		
Within one year	**1,875,576**	1,834,685
After one year	**422,891**	402,270
	2,298,467	2,236,955

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to construction services, of which the performance obligations are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

6. OTHER INCOME AND GAINS

	2025 HK$'000	2024 HK$'000
Bank interest income	**12,582**	22,941
Interest income from a loan to a related company	**15,000**	3,534
Foreign exchange differences, net	**449**	–
Others	**2,585**	1,264
	30,616	27,739

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2025 HK$'000	2024 HK$'000
Cost of construction	**1,785,208**	2,119,996
Depreciation of property, plant and equipment *(note 14)*	**62,515**	65,994
Depreciation of right-of-use assets *(note 15)*	**10,464**	9,901
Staff costs (including directors' remuneration *(note 9)*):		
Salaries, wages and allowances	**621,163**	434,684
Pension scheme contributions**	**20,337**	17,794
	641,500	452,478
Auditor's remuneration	**1,631**	1,466
Lease payments not included in the measurement of lease liabilities	**2,256**	2,258
Loss on disposal of items of property, plant and equipment, net	**1,901**	537
(Gain)/loss on foreign exchange differences, net	**(449)**	556
Impairment of trade receivables *(note 17)*	**4,468**	3,313
Impairment of contract assets *(note 18)*	**–**	115

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Note	2025 HK$'000	2024 HK$'000
Interest on lease liabilities	15(b)	**155**	97

9. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited (the "Listing Rules"), section 383 (1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 HK$'000	2024 HK$'000
Fees	**2,751**	2,250
Other emoluments:		
Salaries, allowances and benefits in kind	**20,038**	19,189
Bonuses	**139,200**	37,850
Pension scheme contributions	**587**	1,110
	162,576	60,399

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 HK$'000	2024 HK$'000
Siu-Chee Kong	**380**	350
Ivan Ti-Fan Pong	**380**	350
Robert Che-Kwong Tsui	**380**	350
Kit-Sum Ling	**411**	–
	1,551	1,050

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

9. DIRECTORS' REMUNERATION *(continued)*

(b) Executive directors

	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total remuneration
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2025					
Yuen-Keung Chan	**200**	**5,380**	**66,000**	**–**	**71,580**
James Sing-Wai Wong	**200**	**–**	**2,000**	**–**	**2,200**
Wing-Sang Yu	**200**	**7,800**	**66,000**	**311**	**74,311**
Philip Bing-Lun Lam	**200**	**–**	**3,000**	**–**	**3,200**
Hon-Man Wai	**200**	**3,585**	**1,200**	**144**	**5,129**
Hoi-Fan Lam	**200**	**3,273**	**1,000**	**132**	**4,605**
	1,200	**20,038**	**139,200**	**587**	**161,025**

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2024					
Yuen-Keung Chan	200	5,380	16,000	–	21,580
James Sing-Wai Wong	200	–	2,000	–	2,200
Wing-Sang Yu	200	7,440	16,000	594	24,234
Philip Bing-Lun Lam	200	–	2,000	–	2,200
Hon-Man Wai	200	3,270	1,000	263	4,733
Hoi-Fan Lam	200	3,099	850	253	4,402
	1,200	19,189	37,850	1,110	59,349

Certain executive directors of the Company are entitled to bonus payments which are determined with reference to profit for the year of the Group.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2024: Nil).

During the year, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil).

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included five (2024: four) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration of non-director highest paid employee in 2025 are as follows:

	2025	2024
	HK$'000	*HK$'000*
Basic salaries, housing allowances and other benefits in kind	–	2,412
Bonuses paid and payable	–	450
Pension scheme contributions	–	201
	–	3,063

The number of non-director highest paid employees in 2025 whose remuneration fell within the following band is as follows:

	Number of employees	
	2025	2024
HK$2,500,001 to HK$3,500,000	–	1

During the year, no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil).

11. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2025	2024
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**46,335**	16,966
Over provision in prior years	**(373)**	–
Deferred *(note 25)*	**(15,747)**	8,500
Total tax charge for the year	**30,215**	25,466

A reconciliation of the tax expense applicable to profit before tax at the statutory rate of the major operating subsidiaries to the tax charge for the year at the effective tax rate is as follows:

	2025	2024
	HK$'000	*HK$'000*
Profit before tax	**163,344**	152,584
Tax at the statutory tax rate	**26,952**	25,176
Adjustment in respect of current tax of previous periods	**(373)**	–
Expenses not deductible for tax	**4,383**	1,168
Income not subject to tax	**(2,213)**	(4,695)
Tax losses not recognised	**489**	1,403
Tax losses utilised from previous periods	**(741)**	–
Others	**1,718**	2,414
Tax charge for the year at the effective rate of 18.5% (2024: 16.7%)	**30,215**	25,466

12. DIVIDENDS

	2025 **HK$'000**	2024 HK$'000
Proposed final dividend of HK2.0 cents (2024: HK2.0 cents) per ordinary share	**30,000**	30,000
Proposed special dividend of nil (2024: HK2.0 cents) per ordinary share	**–**	30,000
	30,000	60,000

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

13. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to equity holders of the Company of HK$133,129,000 (2024: HK$127,118,000) and the number of ordinary shares of 1,500,000,000 (2024: 1,500,000,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements *HK$'000*	Plant and machinery *HK$'000*	Motor vehicles *HK$'000*	Furniture, fixtures and equipment *HK$'000*	Total *HK$'000*
31 December 2025					
At 1 January 2025:					
Cost	17,609	1,066,493	16,867	9,301	1,110,270
Accumulated depreciation	(15,017)	(773,300)	(12,600)	(9,301)	(810,218)
Net carrying amount	2,592	293,193	4,267	–	300,052
At 1 January 2025, net of accumulated depreciation	2,592	293,193	4,267	–	300,052
Additions	–	89,185	4,054	–	93,239
Disposals	–	(7,528)	(267)	–	(7,795)
Transfers to costs of construction contracts	–	(20,647)	–	–	(20,647)
Depreciation provided during the year	(405)	(59,670)	(2,440)	–	(62,515)
At 31 December 2025, net of accumulated depreciation	2,187	294,533	5,614	–	302,334
At 31 December 2025:					
Cost	17,609	1,034,595	18,844	9,301	1,080,349
Accumulated depreciation	(15,422)	(740,062)	(13,230)	(9,301)	(778,015)
Net carrying amount	2,187	294,533	5,614	–	302,334

14. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Leasehold improvements *HK$'000*	Plant and machinery *HK$'000*	Motor vehicles *HK$'000*	Furniture, fixtures and equipment *HK$'000*	Total *HK$'000*
31 December 2024					
At 1 January 2024:					
Cost	17,609	1,021,468	15,351	9,301	1,063,729
Accumulated depreciation	(13,621)	(742,819)	(11,381)	(9,301)	(777,122)
Net carrying amount	3,988	278,649	3,970	–	286,607
At 1 January 2024, net of accumulated depreciation	3,988	278,649	3,970	–	286,607
Additions	–	87,898	2,692	–	90,590
Disposals	–	(8,932)	(114)	–	(9,046)
Transfers to costs of construction contracts	–	(2,105)	–	–	(2,105)
Depreciation provided during the year	(1,396)	(62,317)	(2,281)	–	(65,994)
At 31 December 2024, net of accumulated depreciation	2,592	293,193	4,267	–	300,052
At 31 December 2024:					
Cost	17,609	1,066,493	16,867	9,301	1,110,270
Accumulated depreciation	(15,017)	(773,300)	(12,600)	(9,301)	(810,218)
Net carrying amount	2,592	293,193	4,267	–	300,052

15. LEASES

The Group as a lessee

The Group has a lease contract for land used in its operations. Lease of land generally has a lease term of 13 years. The leasehold land is held on a medium-term lease expiring on 30 June 2047. Other properties generally have lease terms of 6 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) *Right-of-use assets*

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leased land	**Leasehold land**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
1 January 2024	17,335	176,000	193,335
Additions	1,691	–	1,691
Depreciation charge	(2,568)	(7,333)	(9,901)
Revaluation surplus	–	5,833	5,833
As at 31 December 2024 and 1 January 2025	**16,458**	**174,500**	**190,958**
Additions	**20,826**	**–**	**20,826**
Depreciation charge	**(2,878)**	**(7,586)**	**(10,464)**
Revaluation surplus	**–**	**5,086**	**5,086**
As at 31 December 2025	**34,406**	**172,000**	**206,406**

At 31 December 2025, the Group's leasehold land was revalued at HK$172,000,000 (2024: HK$174,500,000) by the directors with reference to a valuation performed by A.G. Wilkinson & Associates (Surveyors) Limited, independent professionally qualified valuer, at an aggregate open market value of HK$172,000,000 (2024: HK$174,500,000) based on its existing use basis on 31 December 2025. Each year, the Group's financial controller decides to appoint which external valuer to be responsible for the external valuations of the Group's leasehold land. A revaluation surplus of HK$5,086,000 (2024: HK$5,833,000) resulting from the above valuation has been credited to other comprehensive income. Had the leasehold land been carried at historical cost less accumulated depreciation, its carrying amount would have been approximately HK$131,751,000 (2024: HK$137,740,000).

15. LEASES *(continued)*

The Group as a lessee *(continued)*

(a) Right-of-use assets *(continued)*

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's leasehold land:

	Fair value measurement as at 31 December 2025 using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Leasehold land	**–**	**–**	**172,000**	**172,000**

	Fair value measurement as at 31 December 2024 using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Leasehold land	–	–	174,500	174,500

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: Nil).

15. LEASES *(continued)*

The Group as a lessee *(continued)*

(a) Right-of-use assets *(continued)*

Fair value hierarchy (continued)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Leasehold land
	HK$'000
Carrying amount as at 1 January 2024	176,000
Depreciation charge	(7,333)
Level 3 revaluation surplus on revaluation at 31 December 2024	5,833
Carrying amount as at 31 December 2024 and 1 January 2025	**174,500**
Depreciation charge	**(7,586)**
Level 3 revaluation surplus on revaluation at 31 December 2025	**5,086**
Carrying amount and fair value at 31 December 2025	**172,000**

Set out below is a summary of the valuation technique used and the key inputs to the valuation of the Group's leasehold land:

	Valuation technique	**Significant unobservable input**	**2025**
Leasehold land	Direct comparison approach	Prevailing market price (per sq. ft.)	**HK$1,056 to HK$2,667**

	Valuation technique	Significant unobservable input	2024
Leasehold land	Direct comparison approach	Prevailing market price (per sq. ft.)	HK$1,148 to HK$1,701

The fair value of leasehold land is determined using the direct comparison approach for valuing leasehold land in their respective existing condition and use on the market basis with reference to comparable market transactions as reported in the market at similar locations. The valuation takes into account the characteristics of the leasehold land which include the location, size, transaction time, zoning, shape and accessibility and other factors collectively. A higher prevailing market price for leasehold land with positive characteristics will result in a higher fair value measurement.

15. LEASES *(continued)*

The Group as a lessee *(continued)*

(b) The carrying amount of lease liabilities and the movements during the year are as follows:

	HK$'000
At 1 January 2024	–
New lease	1,691
Accretion of interest recognised during the year	97
Payments	(879)
At 31 December 2024 and 1 January 2025	**909**
New lease	**20,826**
Accretion of interest recognised during the year	**155**
Payments	**(1,298)**
At 31 December 2025	**20,592**

	2025 **HK$'000**	2024 HK$'000
Analysis into:		
Current portion	**2,919**	909
Non-current portion	**17,673**	–

The maturity analysis of lease liabilities is disclosed in note 33 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 **HK$'000**	2024 HK$'000
Depreciation charge of right-of-use assets	**10,464**	9,901
Interest on lease liabilities	**155**	97
Expense relating to short-term leases (included in administrative expenses)	**2,256**	2,258
Total amount recognised in profit or loss	**12,875**	12,256

(d) The total cash outflow for leases is disclosed in note 27 to the financial statements.

16. INVESTMENT IN AN ASSOCIATE

	2025 HK$'000	2024 HK$'000
Share of net assets	**121**	121

Particulars of the associate as at 31 December 2025 are as follows:

Name	Place of incorporation/ and business	Particulars of issued capital held	Percentage of ownership interest attributable to the Group 2025	2024	Principal activities
Senior Rich Development Limited ("Senior Rich")	Hong Kong	Class "A" voting shares Class "B" non-voting shares	**50** **50**	50 50	Property investment

The above investment is indirectly held by the Company.

The following table illustrates the financial information of the Group's associate that is not material:

	2025 HK$'000	2024 HK$'000
Share of an associate's profit for the year	**–**	–
Share of an associate's other comprehensive income	**–**	–
Share of an associate's total comprehensive income	**–**	–
Aggregate carrying amount of the Group's investment in an associate	**121**	121

17. TRADE RECEIVABLES

	2025 HK$'000	2024 HK$'000
Trade receivables	**134,814**	215,852
Impairment	**(17,239)**	(12,771)
Net carrying amount	**117,575**	203,081

17. TRADE RECEIVABLES *(continued)*

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivables balance. Trade receivables are non-interest bearing. At 31 December 2025, the Group had a certain concentration of risk that may arise from the exposure to the largest customer and the five largest customers, which accounted for 16% and 57% (2024: 15% and 33%) of the Group's total trade receivables balance, respectively.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provision, is as follows:

	2025 ***HK$'000***	2024 *HK$'000*
Current to 30 days	**84,487**	153,501
31 to 60 days	**11,075**	12,669
61 to 90 days	**3,995**	9,597
Over 90 days	**18,018**	27,314
	117,575	203,081

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 ***HK$'000***	2024 *HK$'000*
At beginning of year	**12,771**	9,458
Impairment losses for the year	**4,468**	3,313
At the end of year	**17,239**	12,771

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

17. TRADE RECEIVABLES *(continued)*

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix as at 31 December 2025:

	Current	**1 to 6 months**	**6 months to 1 year**	**1 year to 3 years**	**Total**
Expected credit loss rate	**0.12%**	**4.47%**	**–**	**76.86%**	**12.79%**
Gross carrying amount *(HK$'000)*	**75,019**	**39,795**	**–**	**20,000**	**134,814**
Expected credit losses *(HK$'000)*	**87**	**1,777**	**–**	**15,375**	**17,239**

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix as at 31 December 2024:

	Current	1 to 6 months	6 months to 1 year	1 year to 3 years	Total
Expected credit loss rate	0.11%	4.78%	–	37.98%	5.92%
Gross carrying amount *(HK$'000)*	153,666	33,177	–	29,009	215,852
Expected credit losses *(HK$'000)*	165	1,587	–	11,019	12,771

18. CONTRACT ASSETS

	Notes	**31 December 2025** ***HK$'000***	31 December 2024 *HK$'000*	1 January 2024 *HK$'000*
Unbilled revenue	*(a)*	**86,613**	122,048	118,551
Retention monies receivables	*(b)*	**297,080**	328,404	261,680
Impairment of retention monies receivables		**(10,876)**	(10,876)	(12,145)
		372,817	439,576	368,086

Notes:

(a) Unbilled revenue is initially recognised for revenue earned from the provision of construction services as the receipt of consideration is conditional on successful completion of construction. Upon completion of construction and acceptance by the customers, the amounts recognised as unbilled revenue are reclassified to trade receivables.

(b) Retention monies receivables are part of the consideration that the customers retain which are payable on successful completion of the contracts in order to provide the customers with assurance that the Group will complete its obligation satisfactorily under the contracts, rather than to provide financing to the customers.

18. CONTRACT ASSETS *(continued)*

The decrease in contract assets in 2025 (2024: increase) was due to the decrease (2024: increase) in the ongoing provision of construction services by the end of the respective years.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

	2025	2024
	HK$'000	*HK$'000*
Within one year	**341,956**	319,647
More than one year	**30,861**	119,929
Total contract assets	**372,817**	439,576

The Group's trading terms and credit policy with customers are disclosed in note 17 to the financial statements.

The movements in the loss allowance for impairment of retention monies receivable are as follows:

	2025	2024
	HK$'000	*HK$'000*
At beginning of the year	**10,876**	12,145
Impairment losses for the year	**–**	115
Written-off for the year	**–**	(1,384)
At end of year	**10,876**	10,876

As at 31 December 2025, included in the above impairment allowance for contract assets is an allowance for an individually impaired contract asset of HK$10,265,000 (2024: HK$10,265,000) which was considered in default due to indicators which showed that the Group was unlikely to receive the outstanding contractual amount in full. Except for the specific impairment allowance mentioned above, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

18. CONTRACT ASSETS *(continued)*

Set out below is the information about the credit risk exposure on the Group's contract assets not individually impaired using a provision matrix:

	2025	2024
Expected credit loss rate	**0.16%**	0.14%
Gross carrying amount *(HK$'000)*	**373,428**	440,187
Expected credit losses *(HK$'000)*	**611**	611

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Prepayments	**843**	2,597
Deposits and other receivables	**42,850**	43,901
	43,693	46,498
Portion classified as non-current:		
Deposits paid for acquisition of property, plant and equipment	**(8,653)**	(10,930)
Current portion	**35,040**	35,568

Included in the balance as at 31 December 2025 is a receivable of interest income of HK$3,534,000 (2024: HK$3,534,000) from a related company for the loan advanced to it. Further details are set out in note 24 to the financial statements. The balance due is unsecured, non-interest bearing and is payable quarterly.

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

20. CASH AND CASH EQUIVALENTS

	2025	2024
	HK$'000	*HK$'000*
Cash and bank balances	**192,679**	167,457
Time deposits	**549,676**	395,073
Cash and cash equivalents	**742,355**	562,530

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

21. TRADE AND RETENTION MONIES PAYABLES

	2025	2024
	HK$'000	*HK$'000*
Trade payables	**61,766**	210,307
Retention monies payable	**49,253**	55,326
	111,019	265,633

An ageing analysis of the trade and retention monies payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
	HK$'000	*HK$'000*
Trade payables		
Current to 30 days	**44,372**	175,988
31 to 60 days	**8,147**	24,189
61 to 90 days	**1,093**	5,211
Over 90 days	**8,154**	4,919
	61,766	210,307
Retention monies payable	**49,253**	55,326
	111,019	265,633

The trade and retention monies payables are non-interest bearing. Trade payables are normally settled on 30-day terms. Retention monies payable has repayment terms ranging from one to two years.

22. OTHER PAYABLES AND ACCRUALS

	Notes	**2025** **HK$'000**	2024 *HK$'000*
Contract liabilities	*(a)*	**252,842**	348,586
Other payables		**11,398**	4,695
Lease liabilities	*15(b)*	**2,919**	909
Accruals		**700,250**	534,035
		967,409	888,225

Note:

(a) Details of contract liabilities are as follows:

	31 December 2025 **HK$'000**	31 December 2024 *HK$'000*	1 January 2024 *HK$'000*
Short-term advances received from customers			
Construction services	**252,842**	348,586	343,143

Contract liabilities include short-term advances received to deliver construction services. The decrease in contract liabilities in 2025 (2024: increase) was mainly due to the decrease (2024: increase) in short-term advances received from customers in relation to the provision of construction services at the end of the reporting year.

23. AMOUNT DUE FROM A FELLOW SUBSIDIARY

The amount due from a fellow subsidiary arose from the ordinary course of business and is unsecured, interest-free and repayable on demand.

24. LOAN TO A RELATED COMPANY

The loan to a related company represented an advance to Chinney Investments, Limited ("Chinney Investments") by the Company pursuant to a loan agreement dated 25 July 2024. A controlling shareholder of the Company has a beneficial interest in Chinney Investments. The loan is unsecured, interest-bearing at 6% per annum and repayable within 12 months from the date of drawdown with an option for extension for further 12 months subject to the approval of the Company.

On 5 September 2025, Chinney Investments served a written request to the Company for the extension of the term of the loan for further 12 months. The request for extension was approved by the Company.

Further details of the transaction are set out in the section headed "CONNECTED TRANSACTIONS" of the Annual Report.

25. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	Accelerated tax depreciation *HK$'000*
At 1 January 2024	33,943
Deferred tax charged to profit or loss during the year *(note 11)*	8,500
At 31 December 2024 and 1 January 2025	**42,443**
Deferred tax credited to profit or loss during the year *(note 11)*	**(16,284)**
Gross deferred tax liabilities as at 31 December 2025	**26,159**

Deferred tax assets

	Losses available for offsetting against future taxable profits *HK$'000*
At 1 January 2024, 31 December 2024 and 1 January 2025	**537**
Deferred tax charged to profit or loss during the year *(note 11)*	**(537)**
At 31 December 2025	**–**

For presentation purposes, deferred tax assets and liabilities have been offset in the statement of financial positions, net deferred tax liabilities as at 31 December 2025 amounting to HK$26,159,000 (2024: HK$41,906,000).

As at 31 December 2025, the Group has estimated unrecognised tax losses arising in Hong Kong of approximately HK$1,553,000 (2024: HK$6,044,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has estimated unrecognised tax losses arising in Macau of approximately HK$218,300 (2024: HK$218,300) that can be used to offset against future taxable profits of the companies in which the losses arose for a maximum of three years. As at 31 December 2025, deferred tax assets have not been recognised in respect of these losses as in the opinion of the Company's directors, it is uncertain whether taxable profits will be available against which the tax losses can be utilised.

26. SHARE CAPITAL

	2025	2024
	HK$'000	*HK$'000*
Authorised:		
3,000,000,000 ordinary shares of HK$0.1 each	**300,000**	300,000
Issued and fully paid:		
1,500,000,000 ordinary shares of HK$0.1 each	**150,000**	150,000

27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

(i) During the year ended 31 December 2025, the Group had non-cash addition to right-of-use assets and lease liabilities of HK$20,826,000 (2024: HK$1,691,000) and HK$20,826,000 (2024: HK$1,691,000), respectively, in respect of a lease arrangement for leased land.

(ii) During the year, interest income of HK$3,534,000 (2024: HK$3,534,000) was included in other receivables.

(iii) During the year ended 31 December 2025, addition of property, plant and equipment of HK$5,788,000 were settled through the transfer of deposits paid in prior year (2024: nil).

(b) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2025	2024
	HK$'000	*HK$'000*
Within operating activities	**2,256**	2,258
Within financing activities	**1,298**	879
	3,554	3,137

28. CONTINGENT LIABILITIES

The Group provided corporate guarantees and counter indemnities to certain banks for an aggregate amount of approximately HK$237,410,000 (2024: certain banks for an aggregate amount of approximately HK$268,510,000) for the issue of performance bonds in its ordinary course of business.

29. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2025 HK$'000	2024 HK$'000
Contracted, but not provided for:		
Plant and machinery	**16,000**	26,118

30. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following material transactions with related parties during the reporting year.

	Notes	**2025** ***HK$'000***	2024 *HK$'000*
Rent paid to fellow subsidiaries	*(i)*	**2,256**	2,256
License fee paid to a related company*	*(i)*	**216**	216
Purchases from fellow subsidiaries	*(ii)*	**–**	220
Interest income from a related company*	*(iii)*	**15,000**	3,534

* Companies in which a controlling shareholder of the Company has beneficial interests.

Notes:

(i) Rents and license fee paid to fellow subsidiaries and a related company are based on the market prices.

(ii) In the opinion of the directors, the above transactions were made according to the published prices and conditions similar to those offered to other major customers and suppliers.

(iii) Interest income is charged at 6% per annum on the outstanding loan amount.

The related party transactions in respect of items (i) and (ii) above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. Furthermore, the related party transactions in respect of item (iii) above constitutes a connected transaction but it is an one-off transaction and did not constitute continuing connected transactions under Chapter 14A of the Listing Rules. Details of item (iii) are included in note 19.

(b) Outstanding balances with related parties:

Details of the Group's balances with a fellow subsidiary and a loan to a related company as at the end of the reporting period are included in notes 19, 23 and 24 to the financial statements.

(c) Compensation of key management personnel of the Group:

The key management personnel of the Group are the directors of the Company. Details of their remuneration are disclosed in note 9 to the financial statements.

31. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	Financial assets at amortised cost	
	2025	2024
	HK$'000	*HK$'000*
Trade receivables	**117,575**	203,081
Due from a fellow subsidiary	**129**	129
Loan to a related company	**250,000**	250,000
Financial assets included in prepayments, deposits and other receivables	**34,197**	32,971
Cash and cash equivalents	**742,355**	562,530
	1,144,256	1,048,711

Financial liabilities

	Financial liabilities at amortised cost	
	2025	2024
	HK$'000	*HK$'000*
Trade and retention monies payables	**111,019**	265,633
Lease liabilities	**20,592**	909
Financial liabilities included in other payables and accruals	**635,935**	460,162
	767,546	726,704

32. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade and retention monies payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, an amount due from a fellow subsidiary and a loan to a related company approximate to their carrying amounts largely due to the short term maturities of these instruments.

Fair value hierarchy

As at 31 December 2025, the Group did not have any financial assets and liabilities measured at fair value (2024: Nil).

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has other financial assets and liabilities such as trade receivables, financial assets included in prepayments, deposits and other receivables, trade and retention monies payables, financial liabilities included in other payables and accruals, and an amount due from a fellow subsidiary, which arise directly from its operations, and a loan to a related company.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and foreign currency risk. The directors meet periodically to analyse and formulate measures to manage each of these risks and they are summarised below.

Credit risk

The Group trades only with recognised and creditworthy third parties and group companies. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 *HK$'000*	Stage 2 *HK$'000*	Stage 3 *HK$'000*	Simplified approach *HK$'000*	Total *HK$'000*
Contract assets*	–	–	–	383,693	383,693
Trade receivables*	–	–	–	134,814	134,814
Due from a fellow subsidiary	–	–	–	129	129
Loan to a related company					
– Normal**	250,000	–	–	–	250,000
Financial assets included in prepayments, deposits and other receivables					
– Normal**	34,197	–	–	–	34,197
Cash and cash equivalents					
– Not yet past due	742,355	–	–	–	742,355
	1,026,552	–	–	518,636	1,545,188

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk *(continued)*

Maximum exposure and year-end staging *(continued)*

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Contract assets*	–	–	–	450,452	450,452
Trade receivables*	–	–	–	215,852	215,852
Due from a fellow subsidiary	–	–	–	129	129
Loan to a related company					
– Normal**	250,000	–	–	–	250,000
Financial assets included in prepayments, deposits and other receivables					
– Normal**	32,971	–	–	–	32,971
Cash and cash equivalents					
– Not yet past due	562,530	–	–	–	562,530
	845,501	–	–	666,433	1,511,934

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 17 and 18 to the financial statements, respectively.

** The credit quality of the loan to a related company, due from a fellow subsidiary and financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Group's policy is to maintain the Group at a net current asset position.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	On demand	**Less than 12 months**	**1 to 5 years**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
2025				
Trade and retention monies payables	**–**	**99,253**	**11,766**	**111,019**
Lease liabilities	**–**	**4,249**	**20,890**	**25,139**
Financial liabilities included in other payables and accruals	**–**	**635,935**	**–**	**635,935**
	–	**739,437**	**32,656**	**772,093**

	On demand	Less than 12 months	1 to 5 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
2024				
Trade and retention monies payables	–	263,141	2,492	265,633
Lease liabilities	–	945	–	945
Financial liabilities included in other payables and accruals	1,917	458,245	–	460,162
	1,917	722,331	2,492	726,740

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Foreign currency risk

The Group has transactional currency exposures. These exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. The Group monitors the currency exposure on an ongoing basis and considers entering into forward currency contracts when the need arises.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the Euro dollar ("EUR") and Singapore dollar ("SGD") exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

	Increase/ (decrease) in exchange rate	**Increase/ (decrease) in profit before tax**
	%	*HK$'000*
2025		
If Hong Kong dollar weakens against EUR	**5**	**135**
If Hong Kong dollar strengthens against EUR	**(5)**	**(135)**
If Hong Kong dollar weakens against SGD	**1**	**71**
If Hong Kong dollar strengthens against SGD	**(1)**	**(71)**
2024		
If Hong Kong dollar weakens against EUR	5	691
If Hong Kong dollar strengthens against EUR	(5)	(691)
If Hong Kong dollar weakens against SGD	1	78
If Hong Kong dollar strengthens against SGD	(1)	(78)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is borrowings divided by the total capital. The capital structure of the Group consists of equity attributable to holders of the Company, comprising issued capital and reserves as disclosed in the consolidated financial statements.

The gearing ratios as at the end of the reporting periods were as follows:

	2025	2024
	HK$'000	*HK$'000*
Lease liabilities	**20,592**	909
Equity attributable to holders of the Company	**881,372**	803,157
Gearing ratio	**–**	–

The directors of the Company review the capital structure periodically. As part of this review, the directors consider the cost of capital and risk associated with each class of capital. Based on recommendations of the directors, the Group will balance the overall capital structure of the Group through the payment of dividends, issue of new shares as well as the raising of new bank loans.

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025	2024
	HK$'000	*HK$'000*
NON-CURRENT ASSET		
Investment in a subsidiary	**2**	2
CURRENT ASSETS		
Prepayments, deposits and other receivables	**5,810**	3,957
Amounts due from subsidiaries	**339,244**	557,838
Loan to a related company	**250,000**	250,000
Cash and cash equivalents	**6,328**	1,779
Total current assets	**601,382**	813,574
CURRENT LIABILITIES		
Other payables and accruals	**10,576**	9,181
Amounts due to subsidiaries	**303,062**	474,371
Tax payable	**–**	1,107
Total current liabilities	**313,638**	484,659
NET CURRENT ASSETS	**287,744**	328,915
Net assets	**287,746**	328,917
EQUITY		
Issued capital	**150,000**	150,000
Reserves *(note)*	**137,746**	178,917
Total equity	**287,746**	328,917

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

A summary of the Company's reserves is as follows:

	Share premium HK$'000	Capital reserve* HK$'000	Retained profits HK$'000	Total HK$'000
At 1 January 2024	63,628	1	106,132	169,761
Profit and total comprehensive income for the year	–	–	69,156	69,156
2023 final dividend and special dividend declared	–	–	(60,000)	(60,000)
At 31 December 2024 and 1 January 2025	**63,628**	**1**	**115,288**	**178,917**
Profit and total comprehensive income for the year	**–**	**–**	**18,829**	**18,829**
2024 final dividend and special dividend declared *(note 12)*	**–**	**–**	**(60,000)**	**(60,000)**
At 31 December 2025	**63,628**	**1**	**74,117**	**137,746**

* Capital reserve represented the contributed surplus with respect to the Company's share allotment of 9,999 new shares at par value of HK$0.1 each in the acquisition of the entire issued share capital of Kin Wing Chinney (BVI) Limited amounting to HK$1,622 from Chinney Construction Group Limited on 15 October 2015.

35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 March 2026.