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中國建築興業集團有限公司

CHINA STATE CONSTRUCTION DEVELOPMENT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 830)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

FINANCIAL HIGHLIGHTS

	2025	2024	Change
RESULTS (HK\$'000)			
Revenue	5,975,499	8,101,694	-26.2%
Profit attributable to owners of the Company	237,341	650,253	-63.5%
FINANCIAL INFORMATION PER SHARE			
Earnings – basic (HK cents)	10.52	28.83	-63.5%

The board of directors (the “Board”) of China State Construction Development Holdings Limited (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Revenue	3	5,975,499	8,101,694
Costs of sales	5	<u>(5,522,472)</u>	<u>(7,134,744)</u>
Gross profit		453,027	966,950
Other income and gains, net	4	136,734	42,155
Administrative, selling and other operating expenses	5	(260,228)	(210,135)
Share of profit of an associate		69	34
Finance costs	6	<u>(64,272)</u>	<u>(74,740)</u>
Profit before tax		265,330	724,264
Income tax charge	7	<u>(38,638)</u>	<u>(80,385)</u>
Profit for the year		<u>226,692</u>	<u>643,879</u>
Profit/(loss) for the year attributable to:			
Owners of the Company		237,341	650,253
Non-controlling interests		<u>(10,649)</u>	<u>(6,374)</u>
		<u>226,692</u>	<u>643,879</u>
Earnings per share attributable to owners of the Company			
Earnings per share			
Basic and diluted	9	<u>HK10.52 cents</u>	<u>HK28.83 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the year	226,692	643,879
Other comprehensive income/(loss)		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	103,776	(150,947)
Exchange differences arising on translation of an associate	414	692
Other comprehensive income/(loss) for the year, net of tax of nil	104,190	(150,255)
Total comprehensive income for the year	330,882	493,624
Total comprehensive income/(loss) for the year attributable to:		
Owners of the Company	340,589	502,192
Non-controlling interests	(9,707)	(8,568)
	330,882	493,624

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current Assets			
Property, plant and equipment		1,184,543	1,553,377
Right-of-use assets		285,844	235,120
Investment properties		14,000	18,943
Interests in an associate		-	9,005
Deferred tax assets		113,532	112,162
Total non-current assets		1,597,919	1,928,607
Current Assets			
Interests in infrastructure project investments	10	-	13,705
Inventories		90,667	152,888
Contract assets		5,964,495	5,411,269
Trade and other receivables	11	2,030,673	2,083,521
Deposits and prepayments		189,329	170,475
Tax recoverable		15,496	5,126
Amounts due from fellow subsidiaries		787,471	754,275
Cash and bank balances		1,362,348	982,505
Assets classified as held for sale		10,440,479 9,072	9,573,764 -
Total current assets		10,449,551	9,573,764
Current Liabilities			
Bank borrowings	12	382,252	583,341
Contract liabilities		843,189	797,470
Trade payables, other payables and accruals	13	3,779,203	3,814,993
Lease liabilities		41,180	29,258
Deposits received		23,011	21,377
Current tax payables		27,213	126,573
Amounts due to fellow subsidiaries		2,106,407	1,970,760
Total current liabilities		7,202,455	7,343,772
Net current assets		3,247,096	2,229,992
Total Assets less Current Liabilities		4,845,015	4,158,599

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Capital and Reserves			
Share capital	14	22,550	22,555
Share premium and reserves		<u>2,816,103</u>	<u>2,652,157</u>
Equity attributable to owners of the Company		2,838,653	2,674,712
Non-controlling interests		<u>(124,231)</u>	<u>(114,524)</u>
Total equity		<u>2,714,422</u>	<u>2,560,188</u>
Non-current Liabilities			
Contract liabilities		434,979	523,026
Bank borrowings	12	1,575,353	997,607
Lease liabilities		119,968	77,485
Deferred tax liabilities		<u>293</u>	<u>293</u>
Total non-current liabilities		<u>2,130,593</u>	<u>1,598,411</u>
		4,845,015	4,158,599

NOTES

(1) BASIS OF PREPARATION

The 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) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, which have been measured at fair value. The financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

(2.1) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, branches, joint ventures and associates for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the Group’s financial statements.

(2.2) ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING 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	<i>Presentation and Disclosure in Financial Statements</i> ²
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	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 will adopt the above new and revised HKFRS Accounting Standards as and when they become effective. None of the above is expected to have a significant effect on the consolidated financial statements of the Group except HKFRS 18 as described below.

(2.2) ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's consolidated financial statements.

(3) REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the facade and general contracting business and operating management business. The Group's revenue represents revenue from construction and management contracts.

The Group has classified the reportable segments into two operating segments, principally based on reportable business units as well as the reporting organisation hierarchy, which are determined as follows:

- Facade and General Contracting Works
- Operating Management

Operating management segment includes the Group's urban planning management and consultation services, engineering consultancy services, thermoelectricity business, senior housing services and funding to infrastructure projects.

The executive directors of the Company are the Group's chief operating decision-maker ("CODM"). The CODM assesses the performance of the operating segments based on a measure of adjusted profit or loss before interest and tax. This measurement basis excludes the effects of non-recurring expenditure from the operating segments, if any, such as restructuring costs, legal expenses. The measurement also excludes the effects of share-based payments and unrealised gains/losses on financial instruments. Interest income and expenses resulting from the central treasury function are not allocated to segments.

(3) REVENUE AND SEGMENT INFORMATION (continued)

Segment results for the years ended 31 December 2025 and 2024 are as follows:

	Revenue		Gross profit		Segment result	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Facade and General						
Contracting Works	5,076,748	7,223,863	314,584	861,536	184,293	781,635
Operating Management	898,751	877,831	138,443	105,414	207,306	55,779
Total	<u>5,975,499</u>	<u>8,101,694</u>	<u>453,027</u>	<u>966,950</u>	<u>391,599</u>	<u>837,414</u>
Unallocated corporate expenses					(65,015)	(54,377)
Unallocated corporate income/gain, net					2,949	15,933
Share of profit of an associate					69	34
Finance costs					<u>(64,272)</u>	<u>(74,740)</u>
Profit before tax					<u>265,330</u>	<u>724,264</u>

For the year ended 31 December 2025, segment revenue of Facade and General Contracting Works and Operating Management comprises revenue from Hong Kong, Chinese Mainland and other region amounting to HK\$5,972,606,000 (2024: HK\$7,971,011,000) and revenue from North America region amounting to HK\$2,893,000 (2024: HK\$130,683,000).

For the year ended 31 December 2025, revenue amounting to HK\$5,942,934,000 (31 December 2024: HK\$8,074,024,000) are recognised over time and revenue amounting to HK\$32,565,000 (31 December 2024: HK\$27,670,000) are recognised at a point in time.

Amounts of administrative, selling and other operating expenses included in the measurement of segment result:

	Depreciation of property, plant and equipment		(Gain)/loss on disposal on items of property, plant and equipment	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Facade and General Contracting Works	13,975	13,135	66	(10,961)
Operating Management	<u>2,252</u>	<u>2,369</u>	<u>(116,240)</u>	<u>23</u>
	<u>16,227</u>	<u>15,504</u>	<u>(116,174)</u>	<u>(10,938)</u>

An analysis of the Group's financial position by territory is as follows:

	Non-current assets*		Addition to property, plant and equipment	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong, Chinese Mainland and Others	1,469,764	1,414,866	111,800	64,898
North America	<u>14,623</u>	<u>401,579</u>	<u>88</u>	<u>486</u>
	<u>1,484,387</u>	<u>1,816,445</u>	<u>111,888</u>	<u>65,384</u>

* Other than deferred tax assets.

(3) REVENUE AND SEGMENT INFORMATION (*continued*)

Segment assets and liabilities

No assets and liabilities are included in the measurements of the Group's segment reporting that are used by the CODM for performance assessment and resource allocation. Accordingly, no segment assets and liabilities are presented.

Major customer information

For the year ended 31 December 2025, one major customer in Facade and General Contracting Works contributed revenue for more than 10 per cent of the Group's total revenue (2024: one major customer in Facade Contracting Works each contributed revenue more than 10 per cent of the Group's total revenue).

(4) OTHER INCOME AND GAINS, NET

	For the year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Bank interest income	5,677	3,580
Exchange gain, net	-	13,578
Insurance claim received	1,447	3,158
Rental income	613	698
Loss on fair value changes of investment properties	(4,943)	-
Reversal of provision of trade and other receivables	7,999	-
Government grants *	2,819	2,689
Gain on disposal on items of property, plant and equipment, net	116,174	10,938
Sundry income	6,948	7,514
	<u>136,734</u>	<u>42,155</u>

* Subsidies have been received from government authorities upon fulfilling certain emissions requirements by the thermoelectricity business. There were no unfulfilled conditions or contingencies relating to these grants.

(5) EXPENSES BY NATURE

	For the year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Profit for the year has been arrived at after charging/(crediting):		
Costs of sales		
Costs of contracting works performed	4,977,629	6,562,497
Costs of service rendered and supply of heat, steam and electricity	528,679	551,534
Warranty provisions, net	16,164	20,713
	<u>5,522,472</u>	<u>7,134,744</u>
Administrative, selling and other operating expenses		
Staff costs, including directors' emoluments:		
Salaries, bonuses and allowances	1,099,709	1,147,736
Retirement benefits scheme contributions	90,419	97,984
Less: Amounts included in costs of sales	(1,041,040)	(1,111,042)
	149,088	134,678
Depreciation of property, plant and equipment, excluding right-of-use assets	138,655	137,465
Less: Amounts included in costs of sales	(131,035)	(130,230)
	7,620	7,235
Depreciation of right-of-use assets	46,156	43,491
Less: Amounts included in costs of sales	(37,549)	(35,222)
	8,607	8,269
Expenses relating to short-term leases	8,791	14,620
Less: Amounts included in costs of sales	(7,695)	(13,558)
	1,096	1,062
Auditor's remuneration		
Audit services	3,126	2,982
Non-audit services	339	323
Sub-total	3,465	3,305
Provision of trade and other receivables	31,323	-
Exchange loss, net	7,186	-
Others	51,843	55,586
	<u>260,228</u>	<u>210,135</u>
Total		

(6) FINANCE COSTS

	For the year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Interest on bank borrowings	58,091	69,965
Interest on lease liabilities	6,181	4,775
	<u>64,272</u>	<u>74,740</u>

(7) INCOME TAX CHARGE

	For the year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
The amount of taxation charged to the consolidated income statement represents:		
Current tax — Hong Kong profits tax		
Provision for the year	16,527	66,745
Current tax — Chinese Mainland and overseas		
Provision for the year	19,431	13,463
Underprovision/(Overprovision) in prior years	311	(103)
	<u>36,269</u>	<u>80,105</u>
Deferred tax	2,369	280
Income tax charge for the year	<u>38,638</u>	<u>80,385</u>

Hong Kong profits tax has been provided at 16.5% of the estimated assessable profit for both years.

The tax charge on estimated assessable profits elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices.

(8) DIVIDENDS

	For the year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Interim dividend paid of HK5.0 cents per ordinary share (2024: HK7.0 cents per ordinary share)	112,752	157,888
Proposed final dividend of HK1.0 cent per ordinary share (2024: HK2.8 cents per ordinary share)	22,551	63,155
	<u>135,303</u>	<u>221,043</u>

The final dividend proposed after 31 December 2025 was not recognised as a liability at 31 December 2025 and is subject to approval by shareholders in the forthcoming annual general meeting.

(9) EARNINGS PER SHARE

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

	For the year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Earnings		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	<u>237,341</u>	<u>650,253</u>
	'000	'000
Number of shares		
Weighted average number of ordinary shares used in basic and diluted earnings per share calculation	<u>2,255,279</u>	<u>2,255,545</u>
Basic and diluted earnings per share (HK cents)	<u>10.52</u>	<u>28.83</u>

The Company did not have any dilutive potential ordinary shares during the year ended 31 December 2025 (2024: Nil).

(10) INTERESTS IN INFRASTRUCTURE PROJECT INVESTMENTS

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Interests in infrastructure project investments	<u>-</u>	<u>13,705</u>

On 7 January 2019, the Group acquired 100% of equity interests in and shareholder's loan to Fuller Sky Enterprises Limited ("Fuller Sky") and Value Idea Investments Limited ("Value Idea") from Ever Power Group Limited, a wholly-owned subsidiary of China State Construction International Holdings Limited at a total consideration of HK\$295,000,000.

Interests in infrastructure project investments represent funding denominated in Renminbi ("RMB") for infrastructure projects located in Chinese Mainland. The Group is responsible to provide finance for the construction of the infrastructure of these projects, whereby the Group's return is predetermined in accordance with the provisions of the relevant agreements.

The infrastructure project investments have a yield of 10.2% (2024: 10.2%) per annum. The interests in infrastructure project investments were past due as at 31 December 2025.

The infrastructure project investments ended during the year ended 31 December 2025.

(11) TRADE AND OTHER RECEIVABLES

The analysis of trade and other receivables, including the ageing analysis of trade receivables, based on invoice date, and net of provisions, is as follows:

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Trade receivables:		
0 to 30 days	389,514	191,440
31 to 90 days	42,827	243,507
More than 90 days	<u>527,591</u>	<u>572,428</u>
	959,932	1,007,375
Retention receivables	<u>1,060,496</u>	<u>1,017,114</u>
	2,020,428	2,024,489
Other receivables	<u>10,245</u>	<u>59,032</u>
Trade and other receivables	<u>2,030,673</u>	<u>2,083,521</u>

Except for the receivables arising from construction contracts which are billed and immediately payable in accordance with the terms of the relevant agreement, the Group generally allows an average credit period not exceeding 90 days (2024: 90 days) to its customers and the retention receivables are repayable approximately one year after the expiry of the defect liability period of construction projects.

(12) BANK BORROWINGS

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Bank loans, unsecured	<u>1,957,605</u>	<u>1,580,948</u>
The borrowings are repayable as follows:		
On demand or within one year	382,252	583,341
In the second year	402,127	-
In the third to fifth years, inclusive	<u>1,173,226</u>	<u>997,607</u>
	1,957,605	1,580,948
Less: Current portion	<u>(382,252)</u>	<u>(583,341)</u>
Non-current portion	<u>1,575,353</u>	<u>997,607</u>

BUSINESS REVIEW

In 2025, the Group continuously focused on the core business of facade contracting, following the business strategy of “deepening in Hong Kong and Macau, consolidating in Chinese Mainland and focusing on key overseas markets”. Leveraging the high-end brand strengths of “Far East Facade”, we fully seized the market opportunities, empowered business development with innovative technologies, enhanced quality and increased efficiency through refined management, and proactively addressed downward market pressures.

Market Conditions

In 2025, escalating global tariff frictions, highly uncertain trade policies and rising U.S. dollar credit risks collectively exacerbated volatility in financial market. Nevertheless, the global economy remained basically stable growth, supported by surging investments in artificial intelligence and generally accommodative monetary policies. In China, the economy forged ahead under pressure and operated steadily, showcasing a development momentum toward innovation and higher quality and demonstrating strong resilience and vitality. Based in Hong Kong and Macau and oriented toward Chinese Mainland, the Group continuously strengthened the leading position of its facade business in the market in Hong Kong, made steady progress in building-integrated photovoltaics (BIPV) business, and maintained high-quality development of the Group’s operations.

1. Contracting Engineering Business

Facade Contracting Business

Hong Kong and Macau regions are the traditional key business regions of the Group. The Group continued to strengthen its brand effect, competitive edge and project delivery capabilities, and further strengthened its leading position in the Facade market of Hong Kong. As a recognized premium provider of overall high-end facade solutions in Hong Kong and Macau, the Group focused on deepening the strategic cooperation with existing major clients, actively expanding its strategic major client base and enhancing synergies within the Group. Despite the sluggish market performance, the Group won bids for several large-scale facade projects during the year, including China Resources’ Yuen Fat Wharf Godown Project at 1 Fat Tseung Street, Chinachem’s Tung Chung Traction Substation Residential Project, Water Supplies Department and Correctional Services Department Headquarters’ Project in Chai Wan, Sino’s Residential Development Project at Wing Kwong Street/Sung On Street, etc. The Group meticulously organized its internal design, procurement, production, and installation resources, vigorously implemented project incentive mechanisms, and strengthened safety controls to ensure project timelines, quality, safety and efficiency. Additionally, responding to demand in the existing facade market in Hong Kong and Macau, the Group continued its facade inspection, maintenance and upgrade transformation business, and won the bid for Ralph Lauren’s Store Redevelopment Project at Prince’s Building in Central during the year, creating new growth points for the business.

The facade market in Macau is mainly dominated by large integrated entertainment resort hotels. The Group maintained very close cooperative relationships with strategic major clients such as Sands, MGM, Galaxy and Wynn, and has demonstrated outstanding performance in previous government public building projects. During the year, with its high-quality project delivery capabilities, Galaxy (phase 4) project, which holds the largest contract value for a single facade project in the world, successfully completed its phase 1 of construction.

The facade market in Chinese Mainland offers vast potential. The Group continues to adhere to a differentiated competitive strategy. Leveraging the high-end brand, advanced technologies, experience accumulated in projects with high difficulty, and the influence of reliable quality established by “Far East Facade”, the Group focused on “big markets, big landlords, and big projects”, and deepened the synergy between its businesses in Chinese Mainland and Hong Kong. During the year, the Group won bids for multiple landmark facade projects in Chinese Mainland, including the Shenzhen Huawei Baicao Yuan Urban Renewal Project, the Guangzhou Pearl River Taikoo Julongwan Project, the Beijing Yiti Port Phase II (Taikoo Place) Project, the Chengdu Strait Friendship Building Project, the Shanghai Hermès Hongqiao Airport Store, etc.

The business environment in Singapore is excellent, and the facade market remains stable in terms of size. The Group has accelerated its strategic layout in the Singapore market, and established robust cooperative relationships with key local landlords. During the year, the Group won bids for the Changi Airport T2 Hotel Project, the Land Transport Authority Office Building Project, and the Bedok North Integrated Hospital Project. With the outstanding delivery of local ongoing projects, it is expected that the Group will gain greater trust and collaboration from landlords, and its market share in Singapore will steadily increase.

In recent years, the development of countries along the “Belt and Road” has drawn widespread attention, resulting in a large number of high-end and high-quality landmark projects. The Group will actively study and assess the important opportunities in the facade market development of countries along the “Belt and Road”. It will thoroughly research political risks, business risks, cultural risks, and supply chain risks to ensure prudent business expansion. The Group continues to focus on large-scale and high-potential development projects in regions such as the Middle East and Southeast Asia.

The building-integrated photovoltaics (BIPV) is a focus of the Group’s new business development. Supported by a team of seasoned professionals in the industry and an expert team composed of academicians from Chinese Academy of Engineering, the Group has successfully overcome key technologies such as ultra-thin surface layers and lightweight high-strength structures. The performance of such products has obtained multiple international qualification certifications and passed architectural performance tests, achieving photovoltaic facade products with performance and display effects comparable to those of traditional building materials such as aluminum panels, stone and glass for building exteriors. The Group deeply engaged in product research and development. During the year, the Group successfully launched the Light A 2.0 product, and achieved industry-leading performance in color difference control of enameled glass. The mass production line of BIPV was officially put into operation, achieving product commercialization. The Company’s technical capabilities gained market recognition. The Company signed a framework agreement valued at approximately RMB10 billion with the Kunshan Municipal People’s Government, and entered into strategic cooperation agreements with six key design institutes of CSCEC, steadily accelerating market promotion. As for landmark building construction, the Company won the bid for and successfully completed the Shenzhen Qianhai Huafa Ice and Snow World Project, which was the largest BIPV project in China.

The Group attaches great importance to technological innovation by advancing smart factory construction and accelerating digital transformation and upgrade to enhance its core technological competitiveness. During the year, the Group was successfully listed as one of National 5G factories and awarded as an enterprise leading an individual field of the manufacturing industry at the National Level. With world leading technologies in glass facades of skyscrapers, complex hyperbolic special-shaped facade technologies, industry-leading automated production lines, and leveraging its independently developed intelligent manufacturing information system for the entire facade industry chain and the Digital Far East platform, combined with Building Information Modeling (BIM) technology and artificial intelligence technologies, etc. the Group significantly enhanced its refined management capabilities, continuously improving project efficiency and delivery quality.

General Contracting Business

The general contracting business has been developing steadily. The Group actively participated in the bidding of small and medium-sized housing construction projects in Hong Kong and deepened collaboration and cooperation with the system. During the year, the Group won the bid for the Tsim Sha Tsui Observatory Headquarters Project.

2. Operating Management Business

While optimizing traditional supervision business, China Overseas Supervision, a subsidiary of the Group, has been proactively exploring the business of project management and engineering consultancy, accelerating its transformation toward a full industry chain of Technology + Supervision + Consultation + Project Management. In the meantime, it pursues synergies with internal businesses and cultivates new business development to enhance overall competitiveness.

Shenyang Huanggu Thermoelectricity Company Limited, a subsidiary of the Group, proactively expanded its heat supply market. Through refined management and technological innovation, it has achieved significant results in energy conservation, consumption reduction and emission control, and practiced green and low-carbon industrial transformation.

Overall Results

For the year ended 31 December 2025, the aggregate revenue of the Group decreased by 26.2% to HK\$5,975 million (31 December 2024: HK\$8,102 million). The profit attributable to owners of the Company was HK\$237 million (31 December 2024: HK\$650 million). The basic earnings per share were HK10.52 cents (31 December 2024: HK28.83 cents), both decrease of 63.5% as compared to last year. In consideration of the Company's profitability, cash flow level and capital requirements for future development, the Board recommends a final dividend of HK1.0 cent per share. Total dividends to be distributed for the year are HK6.0 cents per share.

Segment analysis

Facade and General Contracting Business

The decline in the volume of new projects and revenue, driven by the prevailing property market conditions and economic cycle and the completion of large-scale projects in Hong Kong and Macau in the previous years resulting in lower revenue recognised in 2025; intense competition in new project tender pricing coupled with several projects not achieving the expected profit margins on final account settlements; and increase in project costs due to various reasons, including delays in the initial preparation stage, prolonged construction periods or additional modifications, in certain projects, the segment's revenue decreased to HK\$5,077 million for the year ended 31 December 2025 (31 December 2024: HK\$7,224 million), representing a decrease of 29.7% as compared to last year. The operating profit decreased by 76.4% to HK\$184 million for the year ended 31 December 2025 (31 December 2024: HK\$782 million) as compared to last year.

Operating Management Business

For the year ended 31 December 2025, the segment's revenue increased to HK\$899 million (31 December 2024: HK\$877 million), and due to the one-off gain recorded from disposal of Canadian assets, the operating profit increased to HK\$207 million (31 December 2024: HK\$56 million) as compared to last year.

Administrative, selling and other operating expenses

Due to the accelerated expansion of BIPV and facade business in Singapore during the year, administrative, selling and other operating expenses increased to HK\$260 million for the year ended 31 December 2025 (31 December 2024: HK\$210 million).

Finance costs

For the year ended 31 December 2025, the Group's finance costs decreased to HK\$64 million (31 December 2024: HK\$75 million) as a result of the stringent finance cost control through bank loan replacement and early refinancing. Compared with the increase in bank loan during the year, it can be seen that the Group has achieved remarkable results through its strategic financing allocation and deployment.

Financial Management

The Group generally finances its operation with internally generated cash flow and credit facilities provided by its principal bankers. As of 31 December 2025, the Group had bank balances and cash of HK\$1,362 million (31 December 2024: HK\$983 million), and total bank borrowings of the Group were HK\$1,958 million (31 December 2024: HK\$1,581 million). The Group's net gearing ratio (net bank borrowings to total net assets) as at 31 December 2025 was approximately 21.9% (31 December 2024: 23.4%). Furthermore, the Group had unutilized banking facilities (including performance guarantee facilities, working capital facilities and loan facilities) of approximately HK\$7,383 million, the Group had sufficient financial resources to meet the business development and expansion. The Group's borrowings are principally on a floating rate basis and have not been hedged by any interest rate financial instruments.

The maturities of the Group's total bank borrowings as at 31 December 2025 and 31 December 2024 are set out as follows:

	31 December 2025 HK\$'000	31 December 2024 HK\$'000
On demand or within one year	382,252	583,341
In the second year	402,127	-
In the third to fifth years, inclusive	1,173,226	997,607
	<u>1,957,605</u>	<u>1,580,948</u>

As at 31 December 2025, the Group's equity attributable to owners of the Company amounted to HK\$2,839 million (31 December 2024: HK\$2,675 million), comprising issued capital of HK\$23 million (31 December 2024: HK\$23 million) and reserves of HK\$2,816 million (31 December 2024: HK\$2,652 million).

Treasury Policy

The Group adopts a conservative treasury policy in cash and financial management. The Group's treasury activities are centralized in order to achieve better risk control and minimize funding cost. Cash is generally placed in short-term deposits mostly denominated in Hong Kong dollar or Renminbi. The Group's liquidity and financing requirements are frequently reviewed. In anticipating new investments or maturity of bank loans, the Group will consider new financing while maintaining an appropriate level of gearing.

Human Resource Management

As at 31 December 2025, the Group employed a total of 3,834 (31 December 2024: 4,006) employees. The Group has sound policies of management incentives and competitive remuneration, which aligns the interests of management, employees and shareholders. The Group sets its remuneration policy by reference to the prevailing market conditions and the job performance of the individuals concerned, subject to review from time to time. The components of the remuneration package consist of base salary, allowances, fringe benefits (including medical insurance and contributions to pension funds) as well as incentives such as discretionary bonus.

PROSPECTS

Looking ahead to 2026, global economy is expected to maintain a steady growth, but downside risks persist due to uncertain trade situation, the possibility that the development of artificial intelligence may fall short of current high expectations, etc. It is expected that China's economy will maintain a development trend of steady progress and improvement. The economies of Hong Kong and Macau will further integrate into the national development framework, gaining increasingly more new momentum. Hong Kong's market position as an international financial center remains firm, and Hong Kong property market shows ongoing signs of recovery, suggesting a positive long-term outlook. In the future, the continued advancement of the Hong Kong Northern Metropolis Development Strategy, the successive launch of new large-scale integrated entertainment projects in Macau, the deep integration of Hong Kong and Macau with the development of the Guangdong-Hong Kong-Macau Greater Bay Area, and a series of development initiatives introduced by "Belt and Road" countries, such as the Middle East and Southeast Asia, will all create numerous project opportunities for the Group. With these vast market opportunities, the Group will accelerate its expansion into high potential global markets.

Business and Development Strategies

The facade contracting business is the Group's core business. Guided by the business philosophy of "closely focusing on high-end markets and providing high-quality services", the Group will enhance its operational and management models tailored to diverse market characteristics, optimizing its global business deployment. To maintain satisfactory profitability, the Group will further intensify brand promotion and market expansion, continuously improve smart manufacturing production lines, advance digitalization, and persistently consolidate core competitiveness in design, procurement, production and construction, while refining high-quality project delivery capabilities.

The building-integrated photovoltaics (BIPV) will be a new growth point for the Group's future facade business. The Group will persist in constructing demonstration projects in first-tier high-class cities, advancing near-zero energy consumption building construction, and enhancing the integrated design, construction and operation of photovoltaic components and building structure to lead the development of green buildings in the industry. The Group has already implemented BIPV projects in Hong Kong and Chinese Mainland, which can drive public and private institutions to further develop environmentally-friendly and energy-saving buildings. It aims to bolster the development of urban zero-carbon transformation systems and foster low-carbon transitions and sustainable development of building and energy systems. The Ministry of Housing and Urban-Rural Development of the People's

Republic of China and other ministries and commissions place significant emphasis on and regard building-integrated photovoltaics as a crucial strategy in realizing “dual carbon” goals in the building sector and developing green buildings. The Group will continue to strengthen communication with relevant national authorities, leveraging policy guidance and standard formulation recommendations for BIPV to facilitate its extensive application in both urban and rural areas.

The Group is actively mapping out the direction of facade industry chain. As buildings age and safety standards become increasingly stringent, there are a growing number of properties aged over the facade design service life. Property owners will inevitably place increased emphasis on the esthetics and safety of the glass facade of their buildings. Leveraging on the technological advantages of its principal facade business, the Company will actively explore the market demand for inspection, maintenance and renovation of old facades. Moreover, the Group will focus on the “high-altitude robot” niche track and explore the design of intelligent cleaning and maintenance robots for facade, thereby driving industry innovation through technological advancement.

Adhering to a high quality and sustainable development strategy, the Group actively engages in environmental protection and social responsibility by stepping up efforts on training to enhance the sustainability management awareness and capabilities and gradually incorporating the ESG concerns into its business operations. During the year, the Group’s ESG performance received high recognition from the market. The Group was awarded five awards at the “TVB Environmental, Social and Governance Awards” hosted by Television Broadcasts Limited in Hong Kong, including Outstanding ESG Award, Best in ESG Practices, Best in ESG Report, ESG Environmental Innovative Technology Award and ESG Social Innovative Technology Award. The Group won BOCHK Corporate Low-Carbon Environmental Leadership Awards 2025 EcoPartner by Federation of Hong Kong Industries. Looking ahead, the Group will continue to deepen climate risk management, enhance the technology research and development and project implementation of BIPV, improve energy efficiency and promote carbon data collection and carbon reduction measures along the supply chain, so as to achieve the carbon neutrality target.

Through continuous exploration and practices, the Board and the management aim to establish and maintain a healthy system where various stakeholders, including shareholders, the Board, the management, employees, customers and suppliers, form a network of mutual promotion and contribute to the sustainable growth of the Group.

FINAL DIVIDEND

The Board recommends a final dividend of HK1.0 cent per share (2024 final dividend: HK2.8 cents per share), payable on Friday, 10 July 2026, to shareholders whose names appear on the register of members of the Company on Friday, 26 June 2026. Together with the interim dividend of HK5.0 cents per share, the full year dividend will amount to HK6.0 cents per share (2024 full year dividend: HK9.8 cents per share). The proposed final dividend is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting.

ANNUAL GENERAL MEETING

The 2026 annual general meeting of the Company (“AGM”) will be held on Wednesday, 17 June 2026. The notice of the AGM, which constitutes part of the circular to the shareholders of the Company, and the 2025 Annual Report, will be available on the websites of the Company (www.cscd.com.hk) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and despatched to shareholders who have requested to receive printed copies.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the following periods:

- (a) For the purpose of determining shareholders' right to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 12 June 2026 to Wednesday, 17 June 2026 (both days inclusive). In order to qualify for attending and voting at the AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged 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, for registration no later than 4:30 p.m. on Thursday, 11 June 2026. The record date for determining the eligibility of shareholders to attend and vote at the AGM is Wednesday, 17 June 2026.
- (b) For the purpose of determining shareholders' entitlement to the final dividend, the register of members of the Company will be closed on Thursday, 25 June 2026 and Friday, 26 June 2026 (both days inclusive). In order to qualify for the proposed final dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged 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, for registration no later than 4:30 p.m. on Wednesday, 24 June 2026. The record date for determining the entitlement to the final dividend is Friday, 26 June 2026.

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

During the year ended 31 December 2025, the Company repurchased 500,000 ordinary shares in aggregate on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for a total consideration (excluding expenses) of HK\$745,840. All the shares repurchased were cancelled on 23 July 2025. Details of the shares repurchased are set out below:

Month	Number of ordinary shares repurchased	Purchase price per share		Total consideration (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
June 2025	500,000	1.51	1.47	745,840

Save as disclosed above, neither the Company nor any of its subsidiaries has made any purchase, sale or redemption of any of the Company's listed securities (including sale of treasury shares) during the year ended 31 December 2025. As at 31 December 2025, there were no treasury shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

EVENT AFTER THE END OF THE REPORTING PERIOD

The Group has no material event subsequent to the year ended 31 December 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31 December 2025 with all applicable code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Board 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 as the Company's code of conduct regarding Directors' securities transactions. All Directors have confirmed that they have complied with the Model Code in their securities transactions throughout the year ended 31 December 2025.

REVIEW OF ACCOUNTS

The audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2025 have been reviewed by the Audit Committee which comprises three Independent Non-executive Directors.

SCOPE OF WORK OF ERNST & YOUNG

The financial figures on page 2 to page 14 of this announcement have been agreed by the Company's external auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2025. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and, consequently, no opinion or assurance conclusion has been expressed by Ernst & Young on this announcement.

APPRECIATION

I would like to take this opportunity to express my heartfelt gratitude to all shareholders, customers and suppliers for their strong support, and to all employees for their hard work and commitment.

By Order of the Board
**China State Construction Development
Holdings Limited**
Wang Xiaoguang
Chairman and Non-executive Director

Hong Kong, 20 March 2026

As at the date of this announcement, the Board comprises Mr. Wang Xiaoguang as Chairman and Non-executive Director; Mr. Zhu Haiming (Chief Executive Officer) and Mr. Wong Man Cheung as Executive Directors; Mr. Huang Jiang as Non-executive Director; and Mr. Zhou Jinsong, Ms. Chan Man Ki Maggie and Mr. Sit Wing Hang as Independent Non-executive Directors.