有利集團有限公司*

Yau Lee Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 406)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2026

HIGHLIGHTS

The Group reported revenue of HK$10,922,441,000 (2025: HK$9,623,007,000) for the year.

The gross profit for the year was increased from HK$134,941,000 to HK$447,382,000.

Loss attributable to equity holders of the Company for the year was HK$203,774,000 (2025: HK$98,884,000).

Basic and diluted losses per share was approximately HK46.52 cents (2025: HK22.57 cents).

The net asset value attributable to equity holders of the Company as at 31 March 2026 was HK$1,233,160,000 (2025: HK$1,376,001,000), equivalent to HK$2.82 (2025: HK$3.14) per share based on the 438,053,600 (2025: 438,053,600) ordinary shares in issue.

* *For identification purpose only*

The Board of Directors (the "Board") of Yau Lee Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2026 together with comparative figures for the year ended 31 March 2025 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2026

	Note	**2026** *HK$'000*	2025 *HK$'000*
Revenue	*3*	**10,922,441**	9,623,007
Cost of sales	*5*	**(10,475,059)**	(9,488,066)
Gross profit		**447,382**	134,941
Other income and losses, net	*4*	**13,703**	474,609
Selling and distribution costs	*5*	**(56,168)**	(46,088)
Administrative expenses	*5*	**(553,860)**	(490,019)
Other operating expenses	*5*	**(7,977)**	(7,198)
Operating (loss)/profit		**(156,920)**	66,245
Finance costs	*6*	**(43,826)**	(55,972)
Share of loss of an associate		**(1)**	(1)
Share of loss of joint ventures		**(8,189)**	(6,941)
(Loss)/profit before income tax		**(208,936)**	3,331
Income tax credit/(expense)	*7*	**4,380**	(104,509)
Loss for the year		**(204,556)**	(101,178)
Attributable to:			
Equity holders of the Company		**(203,774)**	(98,884)
Non-controlling interests		**(782)**	(2,294)
		(204,556)	(101,178)
Dividend	*8*	**–**	10,951
Losses per share (basic and diluted)	*9*	**HK(46.52) cents**	HK(22.57) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	2026	2025
	HK$'000	*HK$'000*
Loss for the year	**(204,556)**	(101,178)
Other comprehensive income		
Item that may be reclassified to profit or loss:		
Currency translation differences	**60,933**	(8,377)
Total comprehensive loss for the year	**(143,623)**	(109,555)
Attributable to:		
Equity holders of the Company	**(142,841)**	(107,261)
Non-controlling interests	**(782)**	(2,294)
Total comprehensive loss for the year	**(143,623)**	(109,555)

CONSOLIDATED BALANCE SHEET

As at 31 March 2026

	Note	**2026**	2025
		HK$'000	*HK$'000*
Assets			
Non-current assets			
Property, plant and equipment		**1,317,085**	1,294,599
Investment properties		**200,700**	213,300
Other intangible assets		**3,006**	4,062
Goodwill		**17,898**	17,898
Associate		**32**	33
Joint ventures		**38,712**	44,477
Deferred income tax assets		**19,404**	16,749
Mortgage loans receivables		**7,553**	9,066
		1,604,390	1,600,184
Current assets			
Cash and bank balances		**1,128,528**	770,225
Trade debtors, net	*10*	**1,228,239**	1,090,240
Contract assets		**2,204,513**	2,107,738
Prepayments, deposits and other receivables		**351,902**	261,324
Mortgage loans receivables		**1,520**	1,428
Inventories		**172,520**	143,914
Completed properties held for sale		**410,176**	540,411
Due from joint operations		**27,462**	9,161
Due from other partners of joint operations		**26,779**	32,436
Prepaid income tax		**14,614**	14,170
		5,566,253	4,971,047
Total assets		**7,170,643**	6,571,231

CONSOLIDATED BALANCE SHEET *(Continued)*
As at 31 March 2026

	Note	**2026** *HK$'000*	2025 *HK$'000*
Equity			
Share capital		**87,611**	87,611
Other reserves		**437,344**	376,411
Retained profits		**708,205**	911,979
Attributable to equity holders of the Company		**1,233,160**	1,376,001
Non-controlling interests		**(6,674)**	(5,892)
Total equity		**1,226,486**	1,370,109
Liabilities			
Non-current liabilities			
Long-term borrowings		**590,144**	454,577
Deferred income tax liabilities		**58,333**	76,513
Other non-current liabilities		**6,749**	18,140
		655,226	549,230
Current liabilities			
Short-term bank loans		**2,574,990**	1,961,581
Current portion of long-term borrowings		**43,977**	337,868
Payables to suppliers and subcontractors	*11*	**789,695**	929,635
Accruals, retention payables, deposits received and other liabilities	*12*	**1,206,358**	958,756
Income tax payable		**2,982**	3,328
Contract liabilities		**651,408**	445,519
Due to joint operations		**16,124**	9,624
Due to other partners of joint operations		**3,397**	5,581
		5,288,931	4,651,892
Total liabilities		**5,944,157**	5,201,122
Total equity and liabilities		**7,170,643**	6,571,231

NOTES

1 GENERAL INFORMATION

Yau Lee Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") are principally engaged in the contracting of building construction, plumbing, renovation, maintenance and fitting-out projects, electrical and mechanical installation, building materials supply, property investment and development and hotel operations. The Group is also engaged in other activities which mainly include computer software development and architectural and engineering services.

The Company is a limited liability company incorporated in Bermuda on 25 June 1991. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK").

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivatives financial instruments) at fair value through profit or loss and investment properties which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

(a) Amended standard adopted by the Group

The Group has applied the following amendments to standard for the first time for its annual reporting period commencing on 1 April 2025:

Amendments to HKAS 21	Lack of Exchangeability

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

(b) New and amended standards and interpretation not yet adopted by the Group

Certain new standards, amendments to standards and interpretation have been published that are not mandatory for 31 March 2026 reporting period and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 April 2026
Amendments to HKFRS 9 and HKFRS 7	Amendments to Contracts Referencing Nature-dependent Electricity	1 April 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 April 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 April 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 April 2027
Amendments to HKFRS 19	Amendments to Subsidiaries without Public Accountability: Disclosures	1 April 2027
Amendments to Hong Kong Interpretation 5	Amendments to Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 April 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The Group has already commenced an assessment of the impact of the above new standards, amendments to standards and interpretation and does not expect that they would have any significant impact to its results of operation and financial position, except for HKFRS 18 which will mainly impact the presentation in the consolidated statement of profit and loss and consolidated statement of cash flows. The Group is still in the process of evaluating the impact of adoption of HKFRS 18.

3 REVENUE AND SEGMENT INFORMATION

(a) Disaggregation of revenue

The Group is principally engaged in contracting of building construction, plumbing, renovation, maintenance and fitting-out projects, electrical and mechanical installation, building materials supply, property investment and development and hotel operations.

	2026	2025
	HK$'000	*HK$'000*
Revenue		
Construction	**7,637,329**	7,235,373
Electrical and mechanical installation	**2,925,280**	2,249,964
Building materials supply	**131,649**	96,586
Property investment and development	**139,958**	23,723
Hotel operations	**70,667**	30
Others	**17,558**	17,331
	10,922,441	9,623,007

(b) Segment information

For the year ended 31 March 2026, the Group recognised revenue from contracts with customers (including construction, electrical and mechanical installation, hotel operations and others) over time except for revenue from building materials supply of HK$131,649,000 (2025: HK$96,586,000), property sales of HK$133,768,000 (2025: HK$18,772,000) and others of HK$14,806,000 (2025: HK$16,077,000), which were recognised at a point in time. The revenue from other source (rental income included in property investment and development and hotel operations) amounted to HK$76,857,000 (2025: HK$4,981,000).

The chief operating decision makers have been identified as the Executive Directors. In accordance with the Group's internal financial reporting provided to the Executive Directors, who are responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the reportable operating segments are as follows:

- Construction – Contracting of building construction, plumbing, renovation, maintenance and fitting-out projects
- Electrical and mechanical installation – Provision of electrical, mechanical, ventilation and air conditioning, fire, plumbing and environmental engineering services
- Building materials supply – Supply of construction and building materials
- Property investment and development
- Hotel operations

Other operations of the Group mainly comprise computer software development and architectural and engineering services which are not of a sufficient size to be reported separately.

3 REVENUE AND SEGMENT INFORMATION *(Continued)*

	Construction	**Electrical & Mechanical Installation**	**Building Materials Supply**	**Property Investment and Development**	**Hotel Operations**	**Others**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Year ended 31 March 2026							
Total revenue	**7,696,875**	**3,791,176**	**1,307,240**	**139,962**	**70,667**	**149,337**	**13,155,257**
Inter-segment and intra-segment revenue	**(59,546)**	**(865,896)**	**(1,175,591)**	**(4)**	**–**	**(131,779)**	**(2,232,816)**
External revenue	**7,637,329**	**2,925,280**	**131,649**	**139,958**	**70,667**	**17,558**	**10,922,441**
Segment results	**(223,520)**	**59,248**	**60,224**	**(38,821)**	**(4,844)**	**(8,472)**	**(156,185)**
Share of loss of an associate	**–**	**(1)**	**–**	**–**	**–**	**–**	**(1)**
Share of loss of joint ventures	**–**	**–**	**(8,189)**	**–**	**–**	**–**	**(8,189)**
	(223,520)	**59,247**	**52,035**	**(38,821)**	**(4,844)**	**(8,472)**	**(164,375)**
Unallocated expenses							**(735)**
Finance costs							**(43,826)**
Loss before income tax							**(208,936)**
Income tax credit							**4,380**
Loss for the year							**(204,556)**

	Construction	Electrical & Mechanical Installation	Building Materials Supply	Property Investment and Development	Hotel Operations	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2025							
Total revenue	7,435,890	3,138,454	1,320,059	23,782	30	183,731	12,101,946
Inter-segment and intra-segment revenue	(200,517)	(888,490)	(1,223,473)	(59)	–	(166,400)	(2,478,939)
External revenue	7,235,373	2,249,964	96,586	23,723	30	17,331	9,623,007
Segment results	(424,681)	49,957	22,529	440,801	(15,777)	(9,864)	62,965
Share of loss of an associate	–	(1)	–	–	–	–	(1)
Share of loss of joint ventures	–	–	(6,941)	–	–	–	(6,941)
	(424,681)	49,956	15,588	440,801	(15,777)	(9,864)	56,023
Unallocated income							3,280
Finance costs							(55,972)
Profit before income tax							3,331
Income tax expense							(104,509)
Loss for the year							(101,178)

3 REVENUE AND SEGMENT INFORMATION *(Continued)*

The analysis of revenue by geographical area is as follows:

	2026	2025
	HK$'000	*HK$'000*
Hong Kong	**10,469,589**	9,241,924
Non-Hong Kong	**452,852**	381,083
	10,922,441	9,623,007

Revenue of approximately HK$6,389,504,000 (2025: HK$6,363,758,000) is derived from one (2025: two) major customer contributing 10% or more of the total revenue.

Non-current assets, other than financial instruments and deferred income tax assets, by geographical area are as follows:

	2026	2025
	HK$'000	*HK$'000*
Hong Kong	**1,133,462**	1,129,343
Non-Hong Kong	**443,971**	445,026
	1,577,433	1,574,369

4 OTHER INCOME AND LOSSES, NET

	2026	2025
	HK$'000	*HK$'000*
Other income		
Bank interest income	**7,487**	15,397
Interest income from subcontractors	**14**	566
Sundry income	**15,623**	11,952
	23,124	27,915
Other (losses)/gains, net		
Relocation compensation gain *(Note)*	**–**	468,199
(Loss)/gain on disposal of property, plant and equipment, net	**(240)**	911
Fair value loss on investment properties, net	**(12,600)**	(26,234)
Exchange gain, net	**3,419**	3,818
	(9,421)	446,694
	13,703	474,609

Note: The entitlement for residential properties with a total construction area of 10,116 square metres in Longhua, Shenzhen was completed and transferred to the Group during the year ended 31 March 2025.

5 EXPENSES BY NATURE

	2026	2025
	HK$'000	*HK$'000*
Cost of construction	**7,663,808**	6,949,053
Cost of inventories sold	**1,027,912**	1,024,528
Cost of properties sold	**132,450**	15,398
Staff costs (excluding directors' emoluments)	**1,709,612**	1,557,028
Directors' emoluments	**27,921**	29,454
Depreciation		
Owned property, plant and equipment	**84,101**	65,951
Leased property, plant and equipment	**25,227**	23,899
	109,328	89,850
Expenses relating to short-term leases of		
Land and buildings	**2,395**	2,101
Other equipment	**201,976**	192,844
	204,371	194,945
Amortisation of other intangible assets	**1,056**	1,056
Movement in loss allowance for trade debtors	**5,654**	(5,061)
Provision for properties held for sale	**21,001**	–
Write-back of provision for inventories	**–**	(43)
Auditors' remuneration		
– Audit services	**5,269**	5,229
– Non-audit services	**588**	518
Direct operating expenses arising from investment properties		
– Generate rental income	**788**	1,160
– Not generate rental income	**64**	94
Selling and distribution costs	**56,168**	46,088
Others	**127,074**	122,074
Total cost of sales, selling and distribution costs, administrative and other operating expenses	**11,093,064**	10,031,371

6 FINANCE COSTS

	2026	2025
	HK$'000	*HK$'000*
Interest on short-term bank loans	**86,108**	97,158
Interest on long-term bank loans	**29,750**	34,516
Interest element of lease payments	**1,728**	1,954
Total borrowing costs incurred	**117,586**	133,628
Less: Classified as cost of construction	**(73,760)**	(77,656)
	43,826	55,972

7 INCOME TAX (CREDIT)/EXPENSE

	2026	2025
	HK$'000	*HK$'000*
Hong Kong profits tax provision for the year	**7,744**	9,708
Non-Hong Kong tax provision for the year	**11,786**	39,977
(Over)/under provision in prior years	**(11)**	25
Deferred income tax relating to the origination and reversal of temporary differences	**(23,899)**	54,799
	(4,380)	104,509

Hong Kong profits tax has been provided at the applicable rates of 8.25% and 16.5% (2025: 8.25% and 16.5%) on the estimated assessable profits for the year. Under the two-tiered profits tax rates regime introduced on 29 March 2018, Hong Kong profits tax rate for the first HK$2 million of assessable profits is 8.25%. Assessable profits above HK$2 million is at the rate of 16.5%.

Taxation on non-Hong Kong profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries/regions in which the Group operates.

Subsidiaries operated in the Chinese Mainland are subject to corporate income tax ("CIT") rate of 25% (2025: 25%). Some subsidiaries operated in the Chinese Mainland qualified as a National High and New Technology Enterprise ("HNTE") with a validity of three years. According to the CIT Law, the enterprise qualifying the HNTE status is entitled to the 15% reduced CIT rate subject to a record-filing to the in-charge tax bureau. As such, the applicable CIT rate for those subsidiaries is 15% (2025: 15%) during the year. Subsidiaries and branch offices established in Macau are subject to Macau profits tax at a rate of 12% during the year (2025: 12%).

The Group is within the scope of the Organisation for Economic Co-operation and Development Pillar Two model rules. In respect of fiscal year commencing on or after 1 March 2025, Pillar Two Rules are effective and applicable in various jurisdictions in which the Company, its subsidiaries and joint venture operate, such as Hong Kong and Chinese Mainland. In particular, the enactment of Hong Kong minimum top-up tax and Income Inclusion Rule in Hong Kong and applicable to the Company has brought the whole of the Group under the scope of Pillar Two in respect of the year ended 31 March 2026. The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in July 2023.

The Group has conducted relevant assessments and no provision for top-up tax is required in respect of the year ended 31 March 2026.

NOTES *(Continued)*

8 DIVIDEND

	2026	2025
	HK$'000	*HK$'000*
Interim dividend paid during the year		
Interim – Nil (2025: HK2.50 cents) per ordinary share	**–**	10,951

In the Board meeting held on 23 June 2026, the Directors did not recommend the declaration of final dividend for the year ended 31 March 2026 (2025: Nil) in order to retain more cash for funding future projects.

9 LOSSES PER SHARE (BASIC AND DILUTED)

The calculation of losses per share is based on:

	2026	2025
	HK$'000	*HK$'000*
Net loss attributable to the equity holders of the Company	**(203,774)**	(98,884)

	2026	2025
Weighted average number of shares in issue during the year	**438,053,600**	438,053,600
Basic losses per share	**HK(46.52) cents**	HK(22.57) cents

Diluted losses per share for the years ended 31 March 2026 and 2025 are equal to basic losses per share as there are no potential dilutive shares in issue during the years.

10 TRADE DEBTORS, NET

	2026	2025
	HK$'000	*HK$'000*
Trade debtors	**548,888**	566,979
Retention receivables	**693,953**	565,191
Loss allowance	**(14,602)**	(41,930)
	1,228,239	1,090,240

10 TRADE DEBTORS, NET *(Continued)*

The aging analysis of trade debtors, net by overdue day(s) is as follows:

	2026	2025
	HK$'000	*HK$'000*
Current	**1,130,508**	940,279
1-30 days	**22,034**	72,084
31-90 days	**43,898**	40,972
91-180 days	**18,793**	12,827
Over 180 days	**13,006**	24,078
	97,731	149,961
	1,228,239	1,090,240

Trade debtors are due from 30 days to 150 days after invoicing depending on the nature of services or products.

11 PAYABLES TO SUPPLIERS AND SUBCONTRACTORS

The aging analysis of payables to suppliers and subcontractors by overdue day(s) is as follows:

	2026	2025
	HK$'000	*HK$'000*
Current	**663,127**	843,637
1-30 days	**100,752**	72,229
31-90 days	**6,904**	5,915
91-180 days	**11,914**	2,595
Over 180 days	**6,998**	5,259
	126,568	85,998
	789,695	929,635

12 ACCRUALS, RETENTION PAYABLES, DEPOSITS RECEIVED AND OTHER LIABILITIES

	2026	2025
	HK$'000	*HK$'000*
Retention payables	**496,409**	404,845
Other deposits	**21,210**	18,994
Due to non-controlling interests *(Note)*	**15,785**	15,785
Lease liabilities	**17,147**	16,743
Others	**655,807**	502,389
	1,206,358	958,756

Note: The amount due to non-controlling interests of the Group was unsecured, interest free and repayable on demand.

13 COMMITMENTS AND CONTINGENT LIABILITIES

The Group has the following outstanding commitments and contingent liabilities:

(a) In the normal course of its business, the Group is subject to various claims under its construction contracts. As at 31 March 2026, the Group has various liquidated damages claims on certain contracts for which the respective extension of time claims have been forwarded and filed to the clients. The amount of the ultimate liquidated damages, if any, cannot be ascertained but the Directors are of the opinion that any resulting liability would not materially affect the financial position of the Group.

(b) The Group has provided performance bonds amounting to approximately HK$1,298,048,000 (2025: HK$1,190,779,000) in favour of the Group's customers.

(c) As at 31 March 2026, the Group has capital expenditure contracted for but not yet incurred in relation to joint ventures of approximately RMB26,036,000 (2025: RMB26,036,000).

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS FOR THE YEAR

As expected last year, the Group's revenue exceeded HK$10 billion for the first time, marking the third consecutive year of record highs. Total revenue rose by 13% year on year to HK$10,922 million in this year (2025: HK$9,623 million). Consistent with the prior year, all business segments recorded growth, with a notable surge in Electrical and Mechanical ("E&M") business. Construction revenue climbed by 6%. The E&M segment delivered robust performance across both Hong Kong and Chinese Mainland, generating total revenue of HK$2,925 million, representing a significant year-on-year increase of 30%.

Furthermore, the disposal of the remaining residential units from our previous two residential developments, coupled with sales from the Longhua residential development, bolstered property investment revenue by HK$116 million. Lastly, the reopening of the Group's hotel during the year also contributed positively to the top-line growth.

The Group's consolidated gross profits increased by HK$312 million to HK$447 million (2025: HK$135 million). Notwithstanding the overall performance improvements in the construction segment, projects secured during the pandemic continue to adversely affect profitability. We will explain further the loss-making factors in the upcoming segment performance review. With respect to the E&M business, margin held steady year on year. Building materials supply margin outperformed that of last year; although the overall costs increased. This was primarily attributed to non-recurring expenditures, including new factory ramp-up costs and increased research and development activities. Operational performance is expected to improve further next year.

Operating expenses rose by HK$75 million to HK$618 million (2025: HK$543 million), driven by:

- Hotel operation: The Group's hotel completed its refurbishment and reopened during the year, leading to an increase of approximately HK$23 million in property depreciation and staff costs.

- Property Sales: Sales expenses increased HK$6 million for the residential units' sales activities in Hong Kong and Longhua.

- Receivable impairment provision: Unlike the prior year, which benefited from a reversal of approximately HK$5 million, the current year recorded a new impairment provision of approximately HK$6 million in accordance with the Group's accounting policies.

- Factory Logistics: Higher transportation costs due to increased shipment volumes.

For the reasons outlined above, the Group recorded a consolidated loss before tax of HK$209 million whereas last year we made a profit of HK$3 million. However, last year's profit included the recognition of the residential units in Longhua. Excluding this non-recurring gain, our operating performance this year is in fact better. Aside from the losses incurred by the construction segment, the hotel segment reported a small nominal net loss, inclusive of annual depreciation charges, despite posting a positive EBITDA. As the hotel reopened mid-year and generated revenue for only a few months, the profit earned was insufficient to absorb the full-year depreciation, leading to a segment loss of HK$5 million. That said, we expect the hotel to deliver a healthy profit next year, driven by current trading momentum. Lastly, the Group recognised a HK$13 million loss on the revaluation of investment properties, reflecting the prevailing softness in the commercial property market.

Following the award of three large-scale public housing projects last year, our order book was constrained by the regulatory cap on public housing building capacity. And given the intensive deployment of resources required for these projects, we did not actively bid for any large building projects during the year. Instead, the Fitting-out and renovation Division focus more on institutional clients, successfully securing a term contract from the Hospital Authority. Our E&M segment delivered exceptional performance, securing an all-time high of HK$5,408 million in new contracts. Major growth was in the environment engineering and infrastructure related sectors, aligning with our strategic focus on these high-potential markets. The Group secured a total of HK$4,759 million new contracts during the year. As of 31 March 2026, the contract on hand value remained at a robust level of HK$44,114 million (2025: HK$48,207 million).

DIVIDEND

In the Board meeting held on 23 June 2026, the Directors resolved not to recommend a final dividend (2025: Nil). As no interim dividend was paid (2025: HK2.50 cents per share), the total dividend for the year is Nil (2025: HK2.50 cents per share).

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING ("AGM")

The register of members of the Company will be closed from 12 August 2026 (Wednesday) to 17 August 2026 (Monday) (both days inclusive) for the purpose of determining the identity of members who are entitled to attend and vote at the AGM which is scheduled to be held on 17 August 2026 (Monday).

In order to qualify for attendance to the AGM, all share transfers accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 11 August 2026 (Tuesday).

REVIEW OF OPERATIONS

Building construction, renovation and maintenance

Benefiting from the record-high contract backlog secured last year, revenue increased from HK$7,235 million to HK$7,637 million, representing an approximate growth of 6%. This marks the third consecutive year of revenue growth. Despite this top-line performance, the segment faced a challenging year in terms of profitability.

The projects secured during the pandemic were completed within the year; however, these projects recorded losses due to various factors. Certain projects required steel usage significantly above the original estimation due to design changes by the client. On the one hand, the increased volumes entitled remeasurement payments; however, the post-pandemic decline in steel prices meant that settlements were calculated using lower fluctuation index. On the other hand, our steel procurement contracts had been locked in at higher prices, leaving us with elevated material costs that the remeasurement payments failed to fully offset – ultimately resulting in losses.

Additionally, the public housing projects secured during the pandemic involving Modular Integrated Construction ("MiC") were pilot initiatives by the client. The complexity of approval processes and site coordination was significantly higher than in conventional projects, resulting in early-stage delays. To meet the completion deadlines, substantial resources – including manpower and equipment – had to be deployed to accelerate progress, leading to a sharp increase in direct costs.

Furthermore, several subcontractors faced financial difficulties and were unable to fulfill their obligations, necessitating replacement. The resulting delays and associated costs further adversely impacted project margins.

On a positive note, the projects secured during the pandemic – which were heavily impacted by low fluctuation index adjustments and compressed margins – have now been completed, and their adverse effects on profitability are fully reflected in the current year results. Leveraging our competitive edge in MiC, projects acquired last year carry healthier margins. While the fluctuation index remained soften for most of the year, the adjustments were moderate and had been factored into our bidding strategies. Performance of these new projects aligns with budget forecasts, giving us confidence in improved profitability next year.

Constrained by statutory public housing buildable volume caps and workforce availability, we did not aggressively pursue large-scale tenders this year. Instead, the Fitting-out and Renovation Division expanded its reach to institutional clients, successfully securing a term contract from Hospital Authority and strengthening the business cooperation in the theme park sector. As of 31 March 2026, we maintained a robust contract backlog valued at HK$30,992 million.

We remain committed to driving competitiveness through relentless technological innovation. In recent years, we have been developing a transformative construction methodology designed to fundamentally disrupt traditional practices. Following the successful completion of rigorous testing this year, our factory in Huizhou has commenced trial deployment and it shall be implemented at site in coming quarter. This breakthrough directly addresses the industry's longstanding challenges of an aging workforce and acute labor shortages by simplifying on-site procedures and reducing on-site labor dependency. Optimising on-site workflow drives cost efficiency, shortens project cycles, curbs uncertainty, and bolsters site safety performance. This initiative is designed to drive higher project efficiency, thereby boosting overall profitability.

Electrical and mechanical installation

Supported by strong contract values from last year, the segment achieved record sales revenue of HK$3,791 million in this year (2025: HK$3,138 million), representing a growth of 21%. Majority growths were in the Mainland market and in the environmental engineering and infrastructure related projects, the segments that we resolutely pursued to develop over the past few years. In the Mainland market, we completed during the year the Guangzhou Hong Kong Jockey Club Horse Sports Training Ground renovation project which attributed considerable revenue.

As to the environmental engineering and infrastructure projects, the large amounts of contracts on hand led to a rise in sales revenue. In view of the substantial contract values and specialised technologies, we strategically collaborate with key technical partners, including major state-owned enterprises to mitigate risks. Some of these partners have worked with us on multiple occasions, and a lot of trust were built. Indeed, we were invited to join them on their major Belt and Road developments. While Hong Kong and Chinese Mainland remain our primary markets, our established partnerships with leading strategic partners position us to capture significant growth potential in Belt and Road markets moving forward.

Besides, businesses from energy enhancement solutions continue to rise steadily. As part of the strategy to expand the green businesses, we are infusing advanced AI and IoT technologies across our entire solution portfolio as well as new development, significantly elevating both efficacy and impact. In response to emerging industry-wide challenges, we developed AI-IoT scaffolding Safety System and AI-IoT Fire Detection System to minimise exposure to such contingencies and safeguard operational continuity. AI is fundamentally reshaping the E&M industry. It empowers our engineers to push the frontiers of innovation, generating new revenue streams and operational efficiencies. Moving forward, we will harness our advanced engineering expertise-integrating cutting-edge technologies such as AI and IoT – to deliver sustainable growth and enhanced profitability.

Again, the segment achieved a record value of new orders totaling HK$5,408 million in the year (2025: HK$3,537 million), up 53% year on year. Major growth was in the environment engineering and infrastructure related sectors, which accounted for nearly one third of the new orders secured. This lifted our order book to all time high of HK$17,146 million (2025: HK$14,548 million), up 18% as compared to last year, providing a strong foundation for continued growth for coming years.

Regarding our strategic expansion, the segment would delve deeper into the smart manufacturing equipment procurement. The ongoing convergence with Mainland technical standards represents a pivotal industry trend, highlighting significant latent demand within the sector. Our capabilities in this area have already been validated by a procurement contract of around RMB161 million secured after the year-end. Leveraging our decades of engineering expertise and extensive mainland network, we are well-positioned to introduce premium equipment and solutions to the Hong Kong market.

Building materials supply

Segment revenue held steady at HK$1,307 million, largely in line with the prior year (2025: HK$1,320 million).

To meet the existing contracts, the factory is required to produce over 70,000 MiC units, exceeding the capacity of our factory in Huizhou. We therefore commissioned a new facility in Dongguan to address the current surge in demands and underpin our long-term expansion strategy. We have successfully ramped up the new facility within a short period of time, and product deliveries to the sites are now underway.

As a leading force in the prefabrication manufacturing industry, we are dedicated to advancing and developing new technologies. As mentioned earlier in this report, we have been developing a transformative construction methodology design. As always, the factory serves as a robust research hub for all our new technologies. Built on years of manufacturing excellence in prefabrication, we have successfully developed and launched this technology through continuous trial and refinement. We expect these new products to drive incremental earnings as they are deployed across upcoming projects.

While the two major undertakings this year – establishing a new factory and developing new technologies – will deliver substantial long-term benefits to the company, the extra costs incurred affected this year's earnings in the short term. Despite robust top-line performance, the segment generated only compressed profit contributions.

With the Development Bureau driving the widespread adoption of MiC, the government has rolled out new measures to bolster the sector. These include plans for 26.91 million sq. ft. of MiC floor area to be completed within five years and the launch of the Modular Integrated Construction Manufacturer Accreditation Scheme aiming to regulate and assure the quality, reliability, and supply chain of off-site manufactured MiC modules. Leveraging our industry-leading MiC expertise, Yau Lee Wah has successfully secured the MiC Supplier Certification, proudly becoming the inaugural certified supplier under this new regulatory framework.

While market sentiment remains positive, the landscape is not without its challenges. The Housing Department launched its first centralised MiC procurement tender which brought challenges to the industry. Under this arrangement, an increasing number of Mainland prefabrication manufacturers will enter the market, leading to fiercer competition. We will continue to optimise the operational efficiency and drive ongoing technological innovation to stay competitive.

Hotel operation and property investment and development

Throughout 2025, Hong Kong's hospitality and tourism industries sustained their post-pandemic recovery, underpinned by a renewed upturn in visitor demands. The number of visitor arrivals in Hong Kong reached approximately 50 million in 2025, representing a notable increase of 12% compared with 2024. Hong Kong showcased its resilience in attracting leisure and business travelers, adjusting to evolving market dynamics, and capitalising on Meetings, Incentives, Conventions and Exhibitions (MICE) demand. We are pleased that the Group's hotel completed its renovation and opened at this opportune time.

The hotel is now operated under the brand Motto by Hilton Hong Kong SoHo – the first of its kind in Greater China and the Asia Pacific region – offering a unique, flexible, and innovative hospitality experience. Since opening, the hotel has been performing satisfactorily. The occupancy rate continued to climb and reached over 90% before the end of the financial year. The average room rate achieved after the initial ramp-up period has surpassed the hotel's record level set in 2018, when Hong Kong's hospitality industry was also at its peak. Moreover, gross room revenue in last four months outpaced the previous record set in the comparable period, notwithstanding that average occupancy rates remained below those benchmark figures. We believe that the hotel's business has significant potential for further growth as Hong Kong's tourism sector continues to recover.

Undoubtedly, the boom in tourism also brings challenges, among which, the biggest is the availability of manpower. And as a newly opened hotel, we also have operational aspects that still require fine-tuning. While we work to grow our topline, we would focus also on operational efficiency which is essential for delivering a sustainable return.

Regarding the residential units we held for sales in Shenzhen Longhua, sales were modest. Given the negligible carrying cost, we will maintain our current position while monitoring market dynamics to identify the optimal window for executing a targeted sales strategy. Chinese Mainland has introduced a series of policies to stabilise the real estate market. Since the April meeting of the Political Bureau of the CPC Central Committee, policy support has intensified notably. For instance, Shenzhen has implemented calibrated easing of home purchase restrictions in its core districts. These measures are beginning to yield positive result: housing prices have shown signs of recovery in Beijing and Shanghai, and in recent months, Shenzhen has even seen a few new developments selling out on their launch day. As market sentiment improves, we believe sales will pick up. We will closely monitor market conditions and formulate appropriate strategies to boost sales.

OUTLOOK

Hong Kong's economy grew by 5.9% year-on-year in the first quarter of 2026. Capital investment accelerated sharply to 17.7%, marking the fastest expansion since the third quarter of 2023. This robust growth was underpinned by the accelerated rollout of major infrastructure projects, notably the Northern Metropolis and the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone, alongside a 39.3% year-on-year increase in public sector building and construction investment, which provided solid support for overall investment expansion. Furthermore, the 2026-27 Budget reaffirmed the Government's target to deliver approximately 196,000 public housing units over the next five years when accounting for Light Public Housing. This represents an increase of over 80% compared to the five-year period since the current-term Government took office.

Public works represent the cornerstone of our business pipeline, underpinned by clear market opportunities. As a leading engineering firm deeply rooted in the local market for decades, we are fully committed to capitalising on this golden window of opportunity.

This year, however, several industry incidents brought long-standing systemic issues to the forefront, prompting a tightening of the regulatory environment. Rising regulatory pressures, coupled with persistent labor and subcontractor constraints, have rendered the operating environment increasingly challenging. The industry is poised for significant transformation. For companies that embrace continuous self-reinvention and uphold an innovative mindset, such as us, this disruption presents a profound opportunity. We will continue to advance innovative technologies to drive efficiency and sustain our competitive edge to achieve business growth.

Amid heightened global geopolitical and economic uncertainties, the Group will prudently expand its business portfolio and market reach, extending into areas such as facilities and equipment procurement, green energy solutions, and the Greater Bay Area market. We would diversify revenue streams in a prudent manner.

The hotel has delivered robust performance since the re-opening, generating a positive impact on the Group's profitability and cash flow. We maintain a constructive outlook on Hong Kong's hospitality sector as it enters 2026 with renewed momentum. Visitor arrivals reached 14.3 million in the first quarter, representing 17% year-on-year growth. This recovery trajectory was further validated during the Labour Day "Golden Week", when over 1.01 million Mainland Chinese visitors arrived – exceeding the government's forecast of 980,000. Policy support remains robust. The Hong Kong Tourism Board has unveiled its Tourism Revival Blueprint 2026, allocating HK$1.66 billion (US$212 million) to attract high-value travelers, reactivate the meetings and events pipeline, and diversify offerings through cruise, sports, and district-based tourism. These initiatives are expected to extend demand beyond traditional peak seasons. From a supply-demand perspective, the market remains highly favorable. With new supply concentrated at the luxury segment and coupled with the ongoing conversion of budget and mid-scale hotels into student and workforce housing, market-wide room availability is poised to tighten considerably. This structural scarcity supports strong occupancy performance and pricing leverage, placing our hotel in an excellent position to capture upside and deliver robust profit and cash flow contributions to the Group.

FINANCIAL POSITION

The Group's finance and treasury functions have been centrally managed and controlled at the headquarters in Hong Kong. As at 31 March 2026, the Group's total cash and bank balances was HK$1,129 million (2025: HK$770 million) and total borrowings increased to HK$3,209 million (2025: HK$2,754 million). The increase in borrowings was primarily due to financing of some large construction and electrical and mechanical projects which were in peak stage of works with higher needs in working capital. The current ratio (total current assets: total current liabilities) as at 31 March 2026 was 1.1 (2025: 1.1). Total current liabilities included a term loan from bank which will be due in next two to three years. The term loan was classified as current liabilities pursuant to specific criteria under the relevant accounting standard, the current ratio was so lowered by 0.1. If taking this term loan into account, the amount of bank loans fall due beyond one year would be HK$890 million (2025: HK$847 million). With prudent financial management policy in place, the Group considers the financial position as sound and healthy with sufficient liquidity.

All the bank borrowings are arranged on a floating rate basis. The Group will closely monitor and manage its exposure to interest rate fluctuations and will consider engaging relevant hedging arrangements when appropriate. As at 31 March 2026, the Group had total banking facilities in respect of bank overdrafts, bank loans, bank guarantees and trade financing of HK$5,020 million (2025: HK$5,737 million), of which HK$4,207 million (2025: HK$3,711 million) had been utilised. The Group considers it has sufficient committed and unutilised banking facilities to meet its current business operation, property development requirement and capital expenditure.

HUMAN RESOURCES

As at 31 March 2026, the Group had approximately 4,500 (2025: 4,500) employees. There are approximately 3,700 (2025: 3,600) employees in Hong Kong and Macau and 800 (2025: 900) in Chinese Mainland. Yau Lee aims to be a good and attractive employer as we understand people are key to long-term success. The Group offers competitive remuneration packages and employees are rewarded on a performance related basis. The Group also invests substantially on training and staff development. We promote continuing learning and help the professional and personal development of our employees.

MOVEMENT OF INCOMPLETE CONTRACTS

For the year ended 31 March 2026

Contract value

	31 March 2025 *HK$'million*	Contracts Secured *HK$'million*	Contracts Completed *HK$'million*	**31 March 2026** ***HK$'million***
Building construction, renovation and maintenance	36,976	1,001	(6,985)	**30,992**
Electrical and mechanical installation	14,548	5,408	(2,810)	**17,146**
Building materials supply	6,177	98	(1,001)	**5,274**
Others	22	26	(20)	**28**
Less: Inter-segment contracts	(9,516)	(1,774)	1,964	**(9,326)**
	48,207	4,759	(8,852)	**44,114**

CORPORATE GOVERNANCE

The Board believes that corporate governance is fundamental to corporate long-term success and the enhancement of shareholders' value. The Company has adopted the principles and practices of the Corporate Governance Code (the "Code") as set out in the Appendix C1 of The Rules Governing the Listing of Securities on The SEHK ("Listing Rules"). The Company strives to improve the transparency of its corporate governance practices and maximise the return to its shareholders through prudent management, investment and treasury policies.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company recognises that it is exposed to a number of risks, which is inherent in the industries that it operates in. The Board acknowledges that it is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and maintaining appropriate and effective risk management and internal control system. In this regard, the Company has established a risk management system and an internal control system. However, the systems are designed to manage rather than eliminate the risk of failing to achieve business objectives and to make reasonable, but not absolute, assurances that there will be no material misrepresentation or loss.

Management formed the Risk Management Committee to assess and manage the Company's principal risks, including but not limited to compliance risks, financial risks, operating risks and strategic risks. It supports the Board in fulfilling its corporate governance and regulatory responsibilities to monitor and review the Company's risk management framework and processes. The Risk Management Committee also provides confirmation to the Board on the effectiveness of the system.

During the reported year, management has engaged an independent professional consultancy firm, Shinewing Risk Services Limited ("SW"), for an enterprise risk assessment which was conducted under the approach adopted in the "COSO Enterprise Risk Management – Integrated Framework". According to the assessment result, management has updated the enterprise risk register with the changes of risk factors, as well as submitted an assessment report containing recommendations to the Board to enable the Board to effectively monitor the business risk and understand how management responds and mitigates the risks.

In addition, the Company has implemented an internal control system to minimise the risks to which the Company is exposed to and used as a management tool for day-to-day business operation. The internal control system is reviewed twice a year. The Board has appointed SW to conduct reviews of the Company's internal control system for the year ended 31 March 2026. The reviews covered financial, operational and compliance controls on selected operation cycles according to the Company's 3-year internal audit plan. In the review reports, corrective actions and improvement programs have been proposed for the internal control problems or deficiencies found.

Based on the review results for the year, management has made a confirmation to the Board that the Company's risk management and internal control systems are effective and sufficient. The Board is satisfied with the review results and pleased to receive management's acknowledgement. As part of the annual review process, the Board has performed evaluation of the Company's accounting and financial reporting function to ensure that there is adequacy of resources, staff qualifications and experience, training programmes and budget of the function.

The Board will continue to review and improve the Company's risk management and internal control systems in accordance with the existing regulatory requirements, the interests of shareholders and the growth and development of the Company's business.

DIRECTORS' AND EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted the requirements of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules regarding the securities transactions by the Directors of the Company. The Company has received confirmations from all Directors that they have complied with the requirements of the Model Code for the year ended 31 March 2026.

COMPLIANCE WITH LISTING RULES

In the opinion of the Directors, the Company has complied with the requirements of the Code as set out in Appendix C1 of the Listing Rules for the year ended 31 March 2026 except for deviations from the code provisions as described below.

Under code provision C.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. However, the roles of the chairman and the chief executive officer of the Company are not separated and are performed by the same individual, Mr. Wong Ip Kuen. The current structure enables the Company to make and facilitate the implementation of decisions promptly and efficiently.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold the Company's listed securities during the year ended 31 March 2026.

REVIEW BY AUDIT COMMITTEE

The Group's annual results for the year ended 31 March 2026 have been reviewed by the Audit Committee which comprises three Independent Non-Executive Directors. The Audit Committee, together with the management, has reviewed the audited consolidated financial statements for the year ended 31 March 2026 of the Group.

REVIEW OF THIS ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in this annual results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on this annual results announcement.

By order of the Board
Wong Ip Kuen
Chairman

Hong Kong, 23 June 2026

As at the date of this announcement, the Board comprises Mr. Wong Ip Kuen (Chairman), Ir. Dr. Wong Tin Cheung, Dr. Wong Rosana Wai Man and Mr. Sun Chun Wai as Executive Directors and Mr. Chan Bernard Charnwut, Mr. Wu King Cheong, Mr Yeung Tak Bun and Dr. Yeung Tsun Man Eric as Independent Non-Executive Directors.

The full version of this announcement can also be accessed on the following websites:

(i) http://www.yaulee.com; and
(ii) http://www.irasia.com/listco/hk/yaulee/