Report of the Directors and Audited Financial Statements

HONG KONG GREEN BUILDING COUNCIL LIMITED

31 December 2025

HONG KONG GREEN BUILDING COUNCIL LIMITED

CONTENTS

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2025.

Principal place of business
Hong Kong Green Building Council Limited ("the Council" or "HKGBC") was incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Room 102, 1/F, Jockey Club Environmental Building, 77 Tat Chee Avenue, Kowloon Tong, Hong Kong.

Principal activities
The principal activities of the Council are to promote the adoption of green building standards and construction of green buildings in Hong Kong for environmental protection for the benefit of the community of Hong Kong.

Business Review

Vision and Mission

The Council is a non-profit, member-led organisation with the vision to help save the planet and improve the wellbeing of the people of Hong Kong by transforming the city into a greener built environment. Its mission is to lead market transformation by advocating green policies to the Government; introducing green building practices to all stakeholders; setting design, construction and management standards for the building profession; and promoting green living to the people of Hong Kong.

Our Work

The Council is committed to realising its mission. It carried out various activities and events in 2025 with the following highlights:

- *Helping Hong Kong to Become a Role Model of Decarbonising the Built Environment for Other High-density Cities in the Sub-tropical Climate Zone*

  - published the HKGBC Guidebook for Sustainable Built Environment (version 2) in January, featuring four local case studies that align with the Guidebook's themes and strategies. The Guidebook won a Merit Award (Research/Publication) in the HKIUD Urban Design Award 2025 and the RICS Research Team of the Year Award 2025.

  - engagement event was conducted in June and the Operationalising the Hong Kong Taxonomy for Sustainable Finance – A Guide for the Building and Construction Sector, co-developed by HKGBC and the Hong Kong Green Finance Association, was launched in September.

  - launched the HKGBC Climate Change Framework for Built Environment (version 3) (the Framework) in November. This version not only updated the original chapters to align with latest local and international standards and guidelines, but also added local showcases throughout the Framework. It also features a new chapter on "Biodiversity & Nature-based Solutions", further responding to the urgent global need to tackle climate change and promote ecological conservation.

REPORT OF THE DIRECTORS (continued)

Business Review (continued)
Our Work (continued)

- *Helping Hong Kong to Become a Role Model of Decarbonising the Built Environment for Other High-density Cities in the Sub-tropical Climate Zone (continued)*

  - several seminars and stakeholder engagement workshops were organised and supported by the Council and industry partners to promote the Framework. These events facilitated knowledge sharing and roundtable discussions on various key topics, including green taxonomy implementation, certification schemes, climate risk assessment and disclosure, adaptation and resilience, biodiversity and nature-based solutions, thereby enhancing the Framework's development.

- *Aligning with the Government's Climate Action Plan – Energy Efficiency in Buildings through Promoting Retro-commissioning (RCx) and Retrofitting to the Industry*

  - launched the Retrofitting Hub in May 2025 as a centralised online platform, featuring over 60 retrofitting initiatives and more than 55 real-life case studies to support the promotion of retrofitting to building owners and practitioners.

  - organised seminars to facilitate knowledge exchange and share practical experience on the implementation of RCx and retrofitting in existing buildings, strengthening industry capacity and awareness.

  - provided advisory services to industry stakeholders on the development of energy management systems, online analytical tools and RCx studies to enhance monitoring, optimisation, and overall building energy performance.

  - conducted workshops and site visits to facilitate the identification of energy saving opportunities in existing buildings and support industry practitioners in applying RCx and retrofitting practices.

- *BEAM Plus and Related Training*

  - launched Version 3 of BEAM Plus Existing Buildings and Elderly-friendly Building Theme Certificate.

  - operated the BEAM Plus certification schemes, receiving registration from 47 new building projects, 154 existing properties, 19 interior fit-out projects, 1 neighbourhood project, 1 new data centre, 1 existing school and 5 elderly-friendly buildings during the year.

  - granted the first BEAM Plus Existing Buildings Global Certificate to a building in Djibouti, signifying a milestone in BEAM Plus outreaching effort.

  - accredited BEAM practitioners, with the total numbers of BEAM Professionals, BEAM Affiliates, Green Building Faculty and BEAM Assessors reaching 4,414, 1,237, 147 and 84 respectively, and provided Continuing Professional Development (CPD) activities to BEAM practitioners, with the number of annual CPD training manhours reaching 3,324.

REPORT OF THE DIRECTORS (continued)

<u>Business Review</u> (continued)
Our Work (continued)

- *Scheme and Tool Development Other than BEAM Plus*

  - the Zero-Carbon-Ready Building (ZCRB) Certificate Presentation Ceremony was held in November to recognise outstanding building projects in energy efficiency and promote the use of the scheme. 35 certificates were presented in the event, covering 34 building projects across government department, developers, property management companies and the banking sector. By the end of 2025, the certification scheme had granted a cumulative total of 109 Energy Performance, Target Setting and Progress Certificates.

  - To enhance the capacity of industry professionals, three training sessions for Energy Assessor-ZCRB were organised. By the end of 2025, a cumulative total of 131 Energy Assessors-ZCRB had been registered and listed in the directory.

  - since 2019, around 3,000 industry practitioners have participated in training under the RCx Training and Registration Scheme, with over 800 professionals successfully registered as RCx Practitioners and Professionals. In addition, approximately 40 services providers have been registered under the Scheme, further supporting the industry's adoption of RCx.

  - launched the upgraded Construction Industry Council (CIC) Green Product Certification (CICGPC) Scheme in May 2025 to further promote the adoption of green building materials and products. The upgrade expanded product categories from 28 to 32, re-organised them into five product families, and introduced five sustainability labels to enhance clarity and recognise excellence across different sustainability aspects. As of 2025, over 1,000 valid products were listed under the Scheme.

- *Engagement and Outreach Activities*

  - co-organised the Green Building Award 2025 with Professional Green Building Council to recognise building-related projects and organisations with outstanding performances and contributions. A strong total of 122 nominations were received, and 65 winners were selected.

  - hosted a study trip to South Korea to foster knowledge exchange on the latest developments, policies and technologies of green and smart buildings, with participation from the Development Bureau and other government departments, HKGBC Directors and Members.

  - engaged the Council's Members via various activities including Policy Luncheon, Expert Talk, green building tours as well as other marketing and media opportunities.

  - participated in ReThink Hong Kong, Innovation Summit Hong Kong by Schneider Electric, Eco Expo Asia, Build4Asia by hosting conference sessions with industry experts and the Council's Members as speakers to promote green building and carbon neutrality.

  - collaborated with numerous institutions and organisations on over 200 events, contributing as a speaker, panel member, judge, or promotional partner.

REPORT OF THE DIRECTORS (continued)

Business Review (continued)
Our Work (continued)

- *Engagement and Outreach Activities (continued)*

  - promoted the Hong Kong Green Shop Alliance and organised several capability building workshops to enhance the knowledge of stakeholders in sustainable and green practices in the shopping environment.

  - attained a total of 2,344 media coverages for the Council, of which 374 were driven by the HKGBC initiatives. Total media value reached HK$902 million with HK$352 million generated from local media.

  - continued collaboration with City University of Hong Kong under the Memorandum of Understanding to deliver RCx training through the Industry Ready Programme. This initiative equips local undergraduate students with practical skills and industry-relevant experience to prepare them for future professional practice.

  - Continued the collaboration with the Macao Institution of Electrical and Mechanical Engineers to provide RCx training in Macao, facilitating knowledge and skills exchange and supporting the advancement of building energy efficiency practices across the Greater Bay Area.

  - co-organised the Intelligent Energy Saving Contest for Buildings in Guangdong-Hong Kong-Macao Greater Bay Area with the Memorandum of Cooperation Partners to encourage the industry to enhance building energy efficiency through RCx and retrofitting and to recognise contributions to energy saving and carbon reduction in the Greater Bay Area.

  - jointly published the Hong Kong Circular Built Environment Guidebook with the CIC and the Business Environment Council (BEC), providing valuable insights and practical strategies for implementing circular practices in the built environment.

REPORT OF THE DIRECTORS (continued)

<u>Business Review</u> (continued)
Financial Highlights

As at 31 December 2025, net current assets amounted to HK$71.04 million (2024: HK$74.79 million), with a current ratio of 8.60 (2024: 10.25). Total revenue in 2025 was HK$37.76 million, representing a decrease of 10.85% compared to the previous year, mainly due to lower registration fee income.

The funding support from the CIC amounted to HK$3.46 million, a decrease of 26.53% from last year, in which HK$2.82 million was to support HKGBC's projects and events while the remaining HK$0.64 million was for the development and operation of green product certification scheme owned by CIC.

The funding support from the Hong Kong Jockey Club (HKJC) amounted to HK$6.52 million in 2025 was for the Jockey Club Energy Saver in Schools Project, a five-year project from 2023 to 2028.

The funding support from the Environment and Conservation Fund (ECF) amounted to HK$0.35 million in 2025, designated for the Green Building Education and Capacity Building Programmes, a two-year project that commenced in September 2025.

Income from BEAM Plus registration fees amounted to HK$12.96 million this year, a decrease of 27.35% from last year. Membership fee income amounted to HK$6.79 million, an increase of 3.32% from last year. Projects and programmes income amounted to HK$2.93 million, a decrease of 22.91% from last year.

On the expenditure side, HK$12.98 million was spent on projects and programmes, an increase of 4.89% compared with last year. General and administrative expenses amounted to HK$23.29 million, representing a 7.02% decrease year on year.

Governance and Control

The Council is supported by two Standing Committees that oversee governance and control.

The Finance and Executive Committee assists the Board in key control functions including overseeing corporate governance, developing policies and procedures, monitoring the Council's financial position, and maintaining budgetary control.

The Governance and Quality Committee, comprising a majority of external members, monitors compliance and the effectiveness of governance and quality standards, and recommends improvements where necessary.

During the year, the Council continued to conduct audits on BEAM Society Limited (BSL)'s assessment operations to further enhance its corporate governance standards.

Furthermore, the Council maintained its ISO 9001 Quality Management System certification, covering the administration of the green building certification scheme, the provision of registry services for green building practitioners, the provision of CPD training for BEAM Professionals and BEAM Affiliates, the design and operation of CICGPC Scheme, and the RCx Training and Registration Scheme.

REPORT OF THE DIRECTORS (continued)

Business Review (continued)
Law Compliance

A Guide to Directors' Duties issued by the Companies Registry was issued to all directors to remind them of their duty to act in good faith and in the best interests of the Council. All directors, committee members and staff were provided with a Code of Conduct (in view of the Council's public body status) to reinforce their role as public servants, particularly regarding conflict of interest and the acceptance of advantages in compliance with the Prevention of Bribery Ordinance (Cap. 201).

During the year, the Council experienced no other known non-compliance issues with applicable laws or regulations and did not receive any material claim brought against it.

Risks and Uncertainties

As reflected in this year's financial results, BEAM Plus registration fee income is subject to fluctuations driven by the state of the property market. To manage income uncertainty, the Council has proactively sought funding and generated revenue from diversified sources. By the end of 2025, the Council had accumulated a General Fund balance of HK$43.99 million, providing a buffer against financial volatility uncertainty and enabling the Council to better meet future resource needs. The Council will continue to diversify its funding and revenue sources.

Key Relationships

Staff

The Council regards its staff as a valuable asset and is committed to supporting their development to enhance internal core competencies. During the year, staff received training on integrity and professional development, as well as workshops on health, wellbeing and green awareness, alongside overseas exposure for capacity building.

Members

The four founding members of the HKGBC, namely the Construction Industry Council (CIC), Business Environment Council Limited (BEC), BEAM Society Limited (BSL), and the Professional Green Building Council Limited (PGBC), remain key partners of the Council in a wide range of collaborations, including BEAM Plus, CICGPC, Green Shop Alliance, the Green Building Award and Green Building Week. The Council works closely with these four founding members to promote green living and advance sustainability across Hong Kong.

Membership is the cornerstone of the Council. By the end of 2025, the Council had 214 Institutional Members, including 138 Patron Members, and 6,180 Associate Members. Membership income reached a record high of HK$6.79 million. Through active engagement and the synergies created with members across various collaborations, the Council effectively amplified its impact in creating a sustainable built environment and delivered substantial value to its membership community.

REPORT OF THE DIRECTORS (continued)

<u>Business Review</u> (continued)
Key Relationships (continued)
Customers

The Council serves a broad spectrum of major customers, including:

- Applicants of BEAM Plus
- Practitioners who received credentials and/or training from the Council
- Applicants of CICGPC
- Participants of RCx Training and Registration Scheme
- Applicants of ZCRB Certification Scheme and Energy Assessors - ZCRB
- Organisations that fund the Council's projects such as the HKJC

Government

The Council is a close partner of the Government in advancing a sustainable built environment. In particular, the Council works closely with:

- The Development Bureau on green building and sustainable infrastructure
- The Environment and Ecology Bureau on climate change and carbon neutrality
- The ECF on green building education and community capacity building
- The Electrical and Mechanical Services Department on building energy efficiency
- The Hong Kong Monetary Authority on Hong Kong Taxonomy for Sustainable Finance

Industry

Transforming the industry to create a more sustainable built environment is central to the Council's mission. The industry we serve encompasses all stakeholders across the building sector, including developers, property managers, consultants, contractors, product, services and technology providers, professionals, and academia. The Council develops and promotes best practices to the industry and facilitates changes needed to advance sustainability.

REPORT OF THE DIRECTORS (continued)

<u>Business Review</u> (continued)
Key Relationships (continued)
Community

Promoting green building knowledge and fostering behavioural change towards a sustainable lifestyle among the general public are core missions of the Council. This mission was advanced through a series of major public initiatives, including the annual city-wide Hong Kong Green Building Week 2025, which engaged over 250 Supporting Organisations and their more than 300,000 staff and members, as well as nearly 6,500 citizens through a range of physical activities. Other key initiatives included the Jockey Club Energy Saver in Schools Project, which aims to certify some 200 schools over 5 years; the "My Green Space" Student Competition 2024-2025; various educational and publicity initiatives; and the ECF-funded Green Building Education and Capacity Building Programmes, a two-year initiative running from September 2025 to August 2027.

In this digital era, the Council also strengthened its public engagement through multiple social media platforms. By the end of 2025, the Council's LinkedIn, Facebook and Instagram pages had collectively attracted over 46,600 followers.

International and Mainland Outreach

The Council continued to engage actively in global initiatives of the World Green Building Council (WorldGBC) and participated in the WorldGBC Asia Pacific Network and its related initiatives. The election of Ms Grace KWOK, Director of the HKGBC, as a WorldGBC Director with effect from 1 July 2025 further elevated the Council's international presence and strengthened its leadership role on the global stage.

The Council also remained active in several alliances within the Greater Bay Area, including the Green Building Industry Alliance in Guangdong-Hong Kong-Macao (粵港澳大灣區綠色建築產業聯盟); the Guangdong-Hong Kong-Macao Greater Bay Area Building Technology Alliance (粵港澳大灣區建築科技聯盟), as well as the Guangdong-Hong Kong-Macau Greater Bay Area Water Saving Industry Alliance (粵港澳大灣區節水產業聯盟).

During the year, the Council, together with BSL, supported Chinese Mainland authorities in developing a local green building assessment standard based on BEAM Plus for application in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, contributing to the advancement of green building practices in the region.

REPORT OF THE DIRECTORS (continued)

Business Review (continued)
Environmental Policies and Performance

In 2025, the Council continued to operate in an environmentally responsible manner. On-line meetings and electronic tools and platforms were widely adopted to help reduce the Council's carbon footprint and minimize resource consumption.

Subsequent Events

No material events have occurred since the end of last financial year.

Future Development of the Council

The Council will advance its work along several key strategic directions.

Enhancing the environmental performance of existing premises remains a major challenge for major cities. To encourage wider participation in BEAM Plus, the Council will expand its engagement to a wider variety of premises, including the launch of a new rating tool for food and beverage premises in 2026.

The Council will also continue to strengthen its global profile by maintaining a strong presence in international events, deepening its contributions to the WorldGBC, and attracting more BEAM Plus applications from regions outside Hong Kong. A new annex to BEAM Plus New Buildings is planned for development in 2026 to facilitate its application in jurisdictions beyond Hong Kong.

Regionally, the Council will explore collaboration opportunities with organisations in Chinese Mainland and the Greater Bay Area, as well as partners in Belt and Road countries and Asia-Pacific Economic Cooperation (APEC) Member Economies. These collaborations will focus on areas such as green building assessment, RCx, retrofitting, the adoption of green building materials and products, and the promotion of practices that optimise building energy performance and reduce carbon emissions in existing buildings.

Through its certification activities, the Council will continue to facilitate the industry's adoption of green finance in both domestic and international markets.

Last but not least, the Council will remain a close partner of the Government in driving the development of a sustainable built environment and supporting Hong Kong's pathway towards carbon neutrality.

REPORT OF THE DIRECTORS (continued)

<u>Directors</u>

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

Cheung Tin Cheung (Chairman)	
Cheng Ting Ning	
Cheung Chi Kong Victor	
Chong Wang Hei Bruce	
Duggie Alexander Main	
Fu Chin Shing	
Ho Chi Shing	
Kwok May Han Grace	
Leung Tak Ming	
Leung Wai Kin	
Li Xiangdong	
Lin Siu Hung Wallace	
Lo Chi Wah	
Ng Ka Wing Simon	
So Hung Fai	
Wong Yeuk Lan	
Young Andrew Meng Cheung	
Yu Hon Kwan	
Chan Cho Sing Joel	(appointed on 1 January 2026)
Harris Tracy Tsui Chi Wong	(appointed on 1 January 2026)
Shao Ruizhe	(appointed on 1 January 2026)
Yim Siu Chung	(appointed on 1 January 2026)
Yu Ching Yan Johnny	(appointed on 1 January 2026)
Yue Wai Pui	(appointed on 1 January 2026)
Chiu Chung Kei	(resigned on 1 January 2026)
Ip Chung Man	(resigned on 1 January 2026)
Lai Yuk Fai Stephen	(resigned on 1 January 2026)
Pan Shujie	(resigned on 1 January 2026)
Yu Franklin	(resigned on 1 January 2026)
Yuen Pak Leung	(resigned on 1 January 2026)
Yun Ying Kit	(resigned on 1 January 2026)
Kwong Tin Sang	(appointed on 1 January 2026, resigned on 28 February 2026)

In accordance with the Council's existing Articles of Association, there being no provision in connection with the retirement of directors appointed by the Founding Members, and all elected directors will retire from the board at the end of the term of office of two years and will be eligible for re-election, provided that no directors shall serve on the Board for an aggregate period of more than six years, whether consecutive or not. In the event that an elected director has served on the Board as a director appointed by a Founding Member, such years of service shall be counted towards the said maximum six-year period.

REPORT OF THE DIRECTORS (continued)

Directors (continued)

As the composition of the Board of Directors of the Council was being drawn mainly from private or public construction industry sector organisations, it is inevitable that transactions will take place with organisations in which a director may have an interest. All transactions involving organisations in which directors of the Council may have an interest, subsisted at the end of the year or at any time during the year, were conducted on normal commercial terms and in accordance with the Council's procurement procedures.

At no time during the year was the Council a party to any arrangement to enable the directors of the Council to acquire benefits by means of the acquisition of shares in or debentures of the Council or any other body corporate.

Indemnity of directors

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Council is currently in force and was in force throughout this year.

Auditors

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

ON BEHALF OF THE BOARD

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Cheung Tin Cheung
Chairman

Hong Kong
27 May 2026

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Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

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Independent auditor's report
To the members of Hong Kong Green Building Council Limited
(Incorporated in Hong Kong, limited by guarantee)

Opinion

We have audited the financial statements of Hong Kong Green Building Council Limited ("the Council") set out on pages 16 to 36, which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in reserve and funds and the cash flow statement for the year then ended and notes to the financial statements, including material accounting policy information.

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

Basis for opinion

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

Information other than the financial statements and auditor's report thereon

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

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

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

EY安永

Independent auditor's report (continued)
To the members of Hong Kong Green Building Council Limited
(Incorporated in Hong Kong, limited by guarantee)

Responsibilities of the directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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Independent auditor's report (continued)
To the members of Hong Kong Green Building Council Limited
(Incorporated in Hong Kong, limited by guarantee)

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

The engagement partner on the audit resulting in this independent auditor's report is Wong, Adam (practicing certificate number: P07896)

Ernst & Young
Certified Public Accountants
Hong Kong
27 May 2026

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HONG KONG GREEN BUILDING COUNCIL LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 HK$	2024 HK$
Revenue			
Funding support from a founding member, the Construction Industry Council		3,464,634	4,715,567
Funding support from The Hong Kong Jockey Club Charities Trust		6,516,585	3,937,812
Funding support from The Environment and Conservation Fund		353,301	-
Other funding support income		238,000	-
Registration fee income	3	12,964,710	17,845,950
Membership fee income	4	6,787,000	6,569,000
Functions and events income	5	1,962,577	1,988
Seminar income		17,550	136,755
Projects and programmes income		2,925,655	3,794,997
BEAM practitioner's qualification renewal fee income		1,004,180	1,173,280
Income from sharing the surplus of BEAM Plus operations		55,040	2,297,988
Other income	6	1,469,127	1,879,475
		37,758,359	42,352,812
Less: Expenditure			
Projects and programmes expenses	7	12,979,504	12,374,488
General and administrative expenses	8	23,288,289	25,047,574
Functions and events expenses	9	3,950,785	3,551,151
Publicity and advertising expenses		1,000,337	957,078
Seminar expenses		29,917	67,616
Depreciation		125,674	140,456
World Green Building Council membership expenses		195,402	195,912
		41,569,908	42,334,275
(Deficit)/surplus and total comprehensive (loss)/income for the year		(3,811,549)	18,537

HONG KONG GREEN BUILDING COUNCIL LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 HK$	2024 HK$
NON-CURRENT ASSET			
Property, plant and equipment	11	173,076	236,378
CURRENT ASSETS			
Deposits, prepayments and other receivables	12	5,640,081	5,259,545
Amounts due from founding members	16	8,059	9,274
Cash and cash equivalents	13	74,737,493	77,608,669
Total current assets		80,385,633	82,877,488
CURRENT LIABILITIES			
Payables and accruals	14	7,225,924	7,679,961
Amounts due to founding members	16	2,116,644	406,215
Total current liabilities		9,342,568	8,086,176
NET CURRENT ASSETS		71,043,065	74,791,312
NET ASSETS		71,216,141	75,027,690
Founding members' reserve	17(b)	200,000	200,000
Accumulated fund		11,018,215	12,106,708
Operation reserve fund	17(c)	16,000,000	16,000,000
General fund	17(c)	43,997,926	46,720,982
TOTAL RESERVE AND FUNDS		71,216,141	75,027,690

Cheung Tin Cheung
Director

Ho Chi Shing
Director

HONG KONG GREEN BUILDING COUNCIL LIMITED

STATEMENT OF CHANGES IN RESERVE AND FUNDS

31 December 2025

	Founding Members' reserve HK$	Accumulated fund HK$	Operation reserve fund HK$	General fund HK$	Total HK$
Balance at 1 January 2024	200,000	8,014,944	16,000,000	50,794,209	75,009,153
Changes in reserve and funds for 2024:					
Surplus and total comprehensive income for the year before usage of funds	-	4,091,764	-	-	4,091,764
Usage of general fund	-	-	-	(4,073,227)	(4,073,227)
Surplus and total comprehensive income for the year	-	4,091,764	-	(4,073,227)	18,537
Balance at 31 December 2024 and 1 January 2025	200,000	12,106,708	16,000,000	46,720,982	75,027,690
Changes in reserve and funds for 2025:					
Deficit and total comprehensive loss for the year before usage of funds	-	(1,088,493)	-	-	(1,088,493)
Usage of general fund	-	-	-	(2,723,056)	(2,723,056)
Deficit and total comprehensive loss for the year	-	(1,088,493)	-	(2,723,056)	(3,811,549)
Balance at 31 December 2025	200,000	11,018,215	16,000,000	43,997,926	71,216,141

HONG KONG GREEN BUILDING COUNCIL LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 HK$	2024 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit)/surplus for the year		(3,811,549)	18,537
Adjustments for:			
Depreciation	8(b)	125,674	140,456
Loss on disposal of property, plant and equipment	8(b)	1,668	-
Bank interest income	6	(1,320,925)	(1,609,700)
		(5,005,132)	(1,450,707)
(Increase)/decrease in deposits, prepayments and other receivables		(380,536)	1,521,924
Decrease/(increase) in amounts due from founding members		1,215	(5,120)
(Decrease)/increase in payables and accruals		(454,037)	506,657
Increase/(decrease) in amounts due to founding members		1,710,429	(836,185)
Net cash flows used in operating activities		(4,128,061)	(263,431)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		1,320,925	1,609,700
Payment for purchase of property, plant and equipment		(64,040)	(159,006)
Placement of time deposit, net		(8,000,000)	(4,000,000)
Net cash flows used in investing activities		(6,743,115)	(2,549,306)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(10,871,176)	(2,812,737)
Cash and cash equivalents at beginning of year		37,608,669	40,421,406
CASH AND CASH EQUIVALENTS AT END OF YEAR		26,737,493	37,608,669
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	13	26,737,493	37,608,669
Time deposits	13	48,000,000	40,000,000
Cash and cash equivalents as stated in the statement of financial position		74,737,493	77,608,669
Less: Time deposits with original maturity of more than three months when acquired	13	(48,000,000)	(40,000,000)
		26,737,493	37,608,669

1. CORPORATE INFORMATION

The Council was incorporated in Hong Kong under the Hong Kong Companies Ordinance on 27 November 2009 and is limited by guarantee whereby in the event of the Council being wound up each member agrees to contribute to the assets of the Council an amount not exceeding HK$100. The Council has become public body under the Prevention of Bribery Ordinance since 2016.

The principal activities of the Council are to promote the adoption of green building standards and construction of green buildings in Hong Kong for environmental protection for the benefit of the community of Hong Kong.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars ("HK$"), which is also the Council's functional currency.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Council has adopted amendments to HKAS21 Lack of Exchangeability for the first time for the current year's financial statements. The Council has not early adopted any other standard or amendment that has been issued but is not yet effective. The adoption of the amendments has had no significant financial effect on these financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

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

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

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

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

2.4 MATERIAL ACCOUNTING POLICIES

Related parties

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

(a) the party is a person or a close member of that person's family and that person
- (i) has control or joint control over the Council;
- (ii) has significant influence over the Council; or
- (iii) is a member of the key management personnel of the Council or of a parent of the Council;

or

(b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Council are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Council are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Council or an entity related to the Council;
- (vi) the entity is controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Council.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write-off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Leasehold improvements	50%
Plant and machinery	50%
Furniture and fixtures	20%
Computer equipment	30%
Office equipment	20%

Both the useful life of an asset and its residual value, if any, are reviewed annually.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

The carrying amounts of property, plant and equipment are reviewed for indications of impairment at the end of each reporting period. An impairment loss is recognised in the statement of profit or loss and other comprehensive income if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The recoverable amount of an asset, or of the cash-generating unit to which it belongs, is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the statement of profit or loss and other comprehensive income on the date of retirement or disposal.

Receivables (including amounts due from founding members)

A receivable is recognised when the Council has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Council has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivable are stated at amortised cost using the effective interest method less allowance for credit losses.

The Council applies the expected credit loss model on receivables that are subject to impairment. Impairment allowances are recognised under the general approach where expected credit losses are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Council is required to provide for credit losses that result from possible default events within the next 12 months. For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default.

The gross carrying amount of receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Council determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Payables (including amount due to founding members)

Payables are initially recognised at the fair value subsequently measured at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

Offsetting of receivable and payables

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

Leases

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. All leases with a term of more than 12 months are recognised as assets representing the right of use of the underlying asset and liabilities representing the obligation to make lease payments, unless the underlying asset is of low value. Both the assets and the liabilities are initially measured on a present value basis.

The Council applies the short-term lease recognition exemption to its short-term leases of premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Revenue recognition

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

Funding support income
Funding support income is recognised when the Council's right to receive payment has been established.

Income from sharing the surplus of BEAM Plus operations
Income from sharing the surplus of BEAM Plus operations is recognised based on 20% share of surplus derived from BEAM Plus operations earned by BEAM Society Limited, a founding member, from the date when the Council's right to receive payment has been established.

Membership fee income and qualification renewal fee income
Membership fee income and qualification renewal fee income are recognised over the year of membership or qualification.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Registration fee, functions and events, seminar and projects and programmes income
Registration fee, functions and events, seminar and projects and programmes income are recognised when the services are rendered.

Other income
Interest income is recognised as it accrues using the effective interest method.

Except for the funding support income of HK$10,334,520 (2024: HK$8,653,379) in total, all of other sources of revenue are within the scope of HKFRS 15.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in profit or loss.

Cash and cash equivalents

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

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

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Other employee benefits

Retirement benefit schemes

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

Defined benefit plans

The Council's statutory obligation to pay long service payment in Hong Kong is a defined benefit plan. The cost of providing benefits relating to long service payment is determined using the projected unit credit actuarial valuation method.

Remeasurements, comprising actuarial gains and losses, and investment returns and other experience adjustments associated with the MPF employer contributions (excluding amounts included in net interest on the net defined benefit liability), are debited or credited to equity in other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

3. REGISTRATION FEE INCOME

Registration fee income represents registration fee received and receivable for registration services rendered by the Council for the applicants who apply to take part in a green building assessment and accreditation programme.

4. MEMBERSHIP FEE INCOME

	2025 HK$	2024 HK$
Platinum patron members	2,000,000	2,360,000
Gold patron members	2,220,000	1,920,000
Silver patron members	1,060,000	930,000
Bronze patron members	576,000	472,000
Marble patron members	510,000	498,000
Institutional members	361,000	314,000
Associate members	60,000	75,000
Total	6,787,000	6,569,000

5. FUNCTIONS AND EVENTS INCOME

	2025 HK$	2024 HK$
Income from Green Building Awards	1,962,577	1,988

6. OTHER INCOME

	2025 HK$	2024 HK$
Bank interest income	1,320,925	1,609,700
Sundry income	148,202	269,775
Total	1,469,127	1,879,475

7. PROJECTS AND PROGRAMMES EXPENSES

	2025 HK$	2024 HK$
Expenses for projects and programmes funded by CIC	2,717,386	3,636,184
Expenses for projects and programmes funded by ECF	353,301	-
Expenses for projects and programmes funded by HKJC	6,516,585	3,937,812
Expenses for other projects and programmes	3,392,232	4,800,492
Total	12,979,504	12,374,488

8. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses included:

(a) Staff costs

	2025 HK$	2024 HK$
Contribution to defined contribution retirement plan	622,677	666,787
Salaries, wages and other benefits	18,536,192	19,891,149
Total	19,158,869	20,557,936

(b) Other items

	2025 HK$	2024 HK$
Auditor's remuneration	114,020	111,860
Depreciation	125,674	140,456
Loss on disposal of property, plant and equipment	1,668	-
Facilities service fee - short term operating lease charges	2,209,345	2,257,698

9. FUNCTIONS AND EVENTS EXPENSES

	2025 HK$	2024 HK$
Expenses for Hong Kong Green Building Week	2,494,723	1,987,193
Expenses for Green Building Awards	1,286,359	5,377
Expenses for other events and functions	169,703	406,323
Expenses for World Sustainable Build Environment Conference	-	1,152,258
Total	3,950,785	3,551,151

10. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2025 HK$	2024 HK$
Directors' fees	-	-
Salaries, allowances and benefits in kind	-	-
Discretionary bonuses	-	-
Retirement scheme contributions	-	-

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$	Plant and machinery HK$	Furniture and fixtures HK$	Office equipment HK$	Computer equipment HK$	Total HK$
31 December 2025						
At 1 January 2025:						
Cost	436,612	1,324,982	1,683,436	353,121	2,246,056	6,044,207
Accumulated depreciation	(436,612)	(1,324,982)	(1,620,807)	(343,777)	(2,081,651)	(5,807,829)
Net carrying amount	-	-	62,629	9,344	164,405	236,378
At 1 January 2025, net of accumulated depreciation	-	-	62,629	9,344	164,405	236,378
Additions	-	-	-	580	63,460	64,040
Disposal	-	-	-	(1,668)	-	(1,668)
Depreciation provided during the year	-	-	(16,957)	(3,274)	(105,443)	(125,674)
At 31 December 2025, net of accumulated depreciation	-	-	45,672	4,982	122,422	173,076
At 31 December 2025:						
Cost	436,612	1,324,982	1,683,436	347,508	2,306,228	6,098,766
Accumulated depreciation	(436,612)	(1,324,982)	(1,637,764)	(342,526)	(2,183,806)	(5,925,690)
Net carrying amount	-	-	45,672	4,982	122,422	173,076

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold improvements HK$	Plant and machinery HK$	Furniture and fixtures HK$	Office equipment HK$	Computer equipment HK$	Total HK$
31 December 2024						
At 1 January 2024:						
Cost	436,612	1,324,982	1,693,528	351,725	2,131,346	5,938,193
Accumulated depreciation	(436,612)	(1,324,982)	(1,660,354)	(337,409)	(1,961,008)	(5,720,365)
Net carrying amount	-	-	33,174	14,316	170,338	217,828
At 1 January 2024, net of accumulated depreciation	-	-	33,174	14,316	170,338	217,828
Additions	-	-	42,900	1,396	114,710	159,006
Depreciation provided during the year	-	-	(13,445)	(6,368)	(120,643)	(140,456)
At 31 December 2024, net of accumulated depreciation	-	-	62,629	9,344	164,405	236,378
At 31 December 2024:						
Cost	436,612	1,324,982	1,683,436	353,121	2,246,056	6,044,207
Accumulated depreciation	(436,612)	(1,324,982)	(1,620,807)	(343,777)	(2,081,651)	(5,807,829)
Net carrying amount	-	-	62,629	9,344	164,405	236,378

12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2025 HK$	2024 HK$
Prepayments	1,046,330	1,246,583
Deposits	4,114	18,292
Other receivables	4,589,637	3,994,670
Total	5,640,081	5,259,545

Impairment of deposits and other receivables

The carrying amount of deposits and other receivables approximated to their fair value as at 31 December 2025 and 2024. Their recoverability was assessed with reference to the credit status of the debtors, and the expected credit losses as at 31 December 2025 and 2024 were considered to be minimal.

13. CASH AND CASH EQUIVALENTS

	2025 HK$	2024 HK$
Cash at bank and on hand	26,737,493	37,608,669
Time deposits with original maturity over three months	48,000,000	40,000,000
Total	74,737,493	77,608,669

Cash at banks earns interest at floating rates based on daily bank deposit rates. Long term time deposits are made for varying periods of more than three months but less than one year and earn interest at the respective time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

The time deposits earn 1.40% to 2.60% (2024: 3.50% to 3.80%) interest per annum.

14. PAYABLES AND ACCRUALS

All of the payables and accruals are expected to be settled within one year or are repayable on demand.

15. TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements as the Council is exempted from taxation pursuant to Section 88 of the Inland Revenue Ordinance.

16. AMOUNTS DUE FROM/(TO) FOUNDING MEMBERS

	2025 HK$	2024 HK$
Amounts due from founding members		
BEC	8,059	9,274
Amounts due to founding members		
BSL	785,061	23,032
CIC	655,365	383,183
PGBC	676,218	-
Total	2,116,644	406,215

The amounts due from/(to) founding members are unsecured, interest-free and recoverable/(repayable) on demand. They are expected to be recovered/(repaid) within one year.

The amounts due from founding members are not past due and expected credit losses on the amounts are considered insignificant.

17. FOUNDING MEMBERS' RESERVE AND FUNDS

(a) Components of the Council's reserve and funds

The reconciliation between the opening and closing balances of each component of the Council's reserve and funds is set out in the statement of changes in reserve and funds.

(b) Founding members' reserve

The founding members' reserve represents the contributions made by the four founding members of $50,000 each upon the incorporation of the Council.

17. FOUNDING MEMBERS' RESERVE AND FUNDS (continued)

(c) Nature and purpose of funds

Operation reserve fund

The operation reserve fund was established to retain the Patron Membership fee income and any other income which CIC allows the Council to keep at the end of a financial year, to serve as a reserve to sustain at least 6 months' operation of the Council during a prolonged period of financial shortfall, and to retain additional provision of reserve that the Board of the Council sees appropriate due to inflation in order to maintain at least 6 months' operation of the Council.

During the year ended 31 December 2025, no surplus generated from self-financed core operation and activities was transferred from accumulated fund to operation reserve fund (2024: Nil).

General fund

The general fund was established to retain surplus generated by the Council's self-financed core operation and activities at the end of a financial year (excluding surplus generated by projects and events funded by third parties), as approved by the Board of the Council and to finance any ad-hoc researches, tool development and other activities that the Board of the Council thinks fit to carry out.

During the year ended 31 December 2025, no surplus generated from self-financed core operation and activities was transferred from accumulated fund to general fund (2024: Nil).

(d) Capital management

The Council's primary objectives when managing capital are to safeguard the Council's ability to continue as a going concern.

The Council defines "capital" as including all components of reserve and funds.

The Council's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Council.

The Council is not subject to any externally imposed capital requirements.

18. RELATED PARTY TRANSACTIONS

(a) Transactions with key management personnel

All members of key management personnel are directors of the Council, and their remuneration is disclosed in note 10.

(b) Transactions with other related parties

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Council entered into the following material related party transactions:

	2025 HK$	2024 HK$
Funding support from CIC, a founding member	3,464,634	4,715,567
Facilities service fee paid to BEC, a founding member	2,294,167	2,300,048
Honorarium received from BEC, a founding member	-	2,000
Income from sharing the surplus of BEAM Plus operations received from BSL, a founding member	55,040	2,297,988
Projects and programmes income received and receivable from BSL, a founding member	12,700	323,809
Projects and programmes expense paid and payable to BSL, a founding member	1,487,334	1,710,613
Refund of facilities service fee received and receivable from BEC, a founding member	17,246	18,565
Functions and events surplus payable to/ (receivable from) PGBC, a founding member, net	676,218	(3,389)
Membership fee for BEAM Practitioners Annual Qualification received from BSL, a founding member	9,810	8,960
Cost sharing for production services of the HK Circular Built Environment Guidebook received from CIC, a founding member	16,667	-
Cost sharing for production services of the HK Circular Built Environment Guidebook received from BEC, a founding member	16,667	-
Venue rental for ECF project to BEC, a founding member	10,200	-

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit and liquidity risks arises in the normal course of the Council's business. The Council's exposure to these risks and the financial management policies and practices used by the Council to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Council. The Council's credit risk is primarily attributable to amounts due from founding members and other receivables. The Council's credit risk arising from cash and cash equivalents and time deposits is limited because the counterparties are banks with sound credit rating, for which the Council considers to have low credit risk. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

(b) Liquidity risk

The Council's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate funding from founding members to meet its liquidity requirements in the short and longer term.

(c) Fair values

The carrying amounts of the Council's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2025 and 2024.

20. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 May 2026.

THE FOLLOWING INFORMATION DOES NOT FORM PART OF

THE AUDITED FINANCIAL STATEMENTS

Management accounts in respect of the
Hong Kong Green Building Week 2025 ("HKGBW 2025")
(Expressed in Hong Kong dollars)

	HK$
Revenue	
Funding support from Construction Industry Council for HKGBW 2025	1,995,778
Total income	1,995,778
Expenditure	
Expenses for Programme, event and promotion fee	(1,858,843)
Expenses for Agency management fee	(375,000)
Expenses for Staff cost	(250,000)
Expenses for Miscellaneous	(10,880)
Total expenditure	(2,494,723)
Deficit for the event (to be borne by the Council)	(498,945)

Summary of management accounts in respect of the
2 projects and 1 scheme approved and funded by Construction Industry Council ("CIC") in 2025
(Expressed in Hong Kong dollars)

	HK$
Revenue	
Funding Support from CIC for Hong Kong Green Shop Alliance	824,931
Funding Support from CIC for CIC Green Product Certification Scheme	483,925
Funding Support from CIC for Development of CIC Green Product Certification Accreditation and Standards for Low Carbon Materials/ Products Categories	160,000
Total Income	1,468,856
Expenditure	
Expenses for Hong Kong Green Shop Alliance	(1,031,164)
Net expenses for CIC Green Product Certification Scheme	(879,864)
Expenses for Development of CIC Green Product Certification Accreditation and Standards for Low Carbon Materials/ Products Categories	(160,000)
Total expenditure	(2,071,028)
Deficit for the projects (to be borne by the Council)	(602,172)