INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of SFK Construction Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of SFK Construction Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") excluding Bestwise Envirotech Limited (the "Target Company") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated balance sheet as at 30 June 2026 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages 1 to 8 of the Company's circular dated 18 September 2026 (the "Circular"), in connection with the proposed disposal of the Target Company and the grant of put option to Guangdong Water Holdings Limited (the "Purchaser") (the "Transactions") by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages 1 to 8 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Transactions on the Group's financial position as at 30 June 2026 as if the Transactions had taken place at 30 June 2026. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2026, on which a review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7, Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transactions at 30 June 2026 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Cheng & Cheng Limited
Certified Public Accountants
Hong Kong, 18 September 2026

1. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is an illustrative and unaudited pro forma consolidated balance sheet of the Group (the "Unaudited Pro Forma Financial Information"), which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of (i) the disposal of 51% of the issued shares in Bestwise Envirotech Limited (the "Target Company") by the Group to Guangdong Water Holdings Limited (the "Purchaser") (the "Disposal") and (ii) the grant of Put Option to the Purchaser (hereinafter collectively referred to as the "Transactions"), as if the Transactions had been taken place on 30 June 2026.

The Unaudited Pro Forma Financial Information has been prepared by the Directors based on the unaudited consolidated balance sheet of the Group as at 30 June 2026 as set out in the published interim report of the Company for the six months ended 30 June 2026, the audited statement of assets and liabilities of the Target Company as at 30 June 2026, and the unaudited pro forma adjustments prepared to reflect the effects of the Transactions as described in the accompanying notes.

This Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the balance sheet of the Group had the Transactions been completed as of specific date or at any future dates.

The Unaudited Pro Forma Financial Information of the Group should be read in conjunction with other financial information included elsewhere in this circular. The Unaudited Pro Forma Financial Information has been prepared using the accounting policies consistent with those of the Group as set out in the published annual report of the Group for the year ended 31 December 2025 and in the published interim report of the Group for the six months ended 30 June 2026.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

	Unaudited consolidated balance sheet of the Group as at 30 June 2026	Unaudited statement of assets and liabilities of the Disposal Group as at 30 June 2026	Pro forma adjustment			Unaudited Pro forma consolidated balance sheet of the Group as at 30 June 2026	Pro forma adjustment assuming the Put Option were exercised immediately at the grant date	Unaudited Pro forma consolidated balance sheet of the Group assuming the Put Option were exercised immediately at the grant date
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)		(Note 6)	(Note 7)
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Non-current assets								
Property, plant and equipment	23,019	(3,457)	-	-	-	19,562	3,457	23,019
Deferred tax assets	19,539	(12,080)	-	-	-	7,459	12,080	19,539
Investments in associate	-	-	-	13,992	-	13,992	(13,992)	-
Goodwill	1,209	-	(1,209)	-	-	-	38,696	38,696
Total non-current assets	43,767	(15,537)	(1,209)	13,992	-	41,013	40,241	81,254
Current assets								
Contract assets	1,435,707	(79,417)	-	-	-	1,356,290	79,417	1,435,707
Trade receivables, other receivables	365,842	(33,014)	14,390	-	20,000	367,218	(1,376)	365,842
Amounts due from	-	(965)	-	-	965	-	-	-
Current tax recoverable	403	-	-	-	-	403	-	403
Cash and cash equivalents	286,276	(16,635)	30,000	-	3,918	303,559	(26,352)	277,207
Total current assets	2,088,228	(130,031)	44,390	-	24,883	2,027,470	51,689	2,079,159
Current liabilities								
Contract liabilities	199,937	(42,411)	-	-	-	157,526	42,411	199,937
Trade and other payables	909,183	(46,951)	-	-	-	862,232	46,951	909,183
Bank loans	630,000	-	-	-	-	630,000	-	630,000
Amounts due to fellow	-	(25,083)	-	-	25,083	-	-	-
Lease liabilities	6,991	(1,102)	-	-	-	5,889	1,102	6,991
Current tax payable	2,489	-	-	-	-	2,489	-	2,489
Total current liabilities	1,748,600	(115,547)	–	-	25,083	1,658,136	90,464	1,748,600
Net current assets	339,628	(14,484)	44,390	-	(600)	368,934	(38,775)	330,159
Total assets less current liabilities	383,395	(30,021)	44,390	13,992	(600)	409,947	1,466	411,413
Non-current liabilities								
Lease liabilities	3,059	(1,466)	-	-	-	1,593	1,466	3,059
Deferred tax liabilities	1,497	-	-	-	-	1,497	-	1,497
Total non-current liabilities	4,556	(1,466)	-	-	-	3,090	1,466	4,556
NET ASSETS	378,839	(28,555)	43,181	13,992	(600)	406,857	-	406,857
CAPITAL AND RESERVES								
Share capital	40,000	-	-	-	-	40,000	-	40,000
Reserves	338,745	(28,555)	43,181	13,992	(600)	366,763	-	366,763
Total equity attributable to equity	378,745	(28,555)	43,181	13,992	(600)	406,763	-	406,763
Non-controlling interests	94	-	-	-	-	94	-	94
TOTAL EQUITY	378,839	(28,555)	43,181	13,992	(600)	406,857	-	406,857

2. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

1. The amounts are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2026 as set out in the interim results announcement of the Company for the six months ended 30 June 2026 published on 25 August 2026.

   The unaudited pro forma financial information has been prepared in accordance with Rule 4.29 of the Listing Rules for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Disposal been completed as at 30 June 2026 or at any future date.

2. The amounts represent the audited statement of financial position of the Target Company as at 30 June 2026 as extracted from the accountants' report on the financial information of the Target Company set out in Appendix II to this circular. The assets and liabilities of the Target Company have been included in the unaudited pro forma financial information solely for the purpose of illustrating the effect of the Disposal. No adjustments have been made to the assets and liabilities of the Disposal Group other than those specifically described in Notes 3 to 6 below.

3. The adjustment represents the completion of the Disposal and the deconsolidation of the assets and liabilities of the Target Company from the Group. The adjustment also reflects (i) the receipt of the first and second instalments of the Consideration amounting to HK$30,000,000 and (ii) the recognition of the Remaining Consideration of HK$14,390,000 as receivables.

   For the purpose of the Unaudited Pro Forma Financial Information, the resulting adjustment arising from the Disposal has been recognised in reserves. The adjustment has been determined with reference to the Consideration, the carrying amounts of the assets and liabilities of the Target Company, the goodwill attributable to the Target Company and other relevant assumptions adopted in preparing the Unaudited Pro Forma Financial Information.

   The actual financial effect of the disposal to be recognised upon Completion may differ from the amount presented herein and will be subject to, among other matters, the fair value of the retained interest, the carrying amounts of the net assets of the Target Company and other relevant adjustments prevailing at the Completion Date.

4. Upon Completion of the Disposal, the Group will retain a 49% equity interest in the Target Company and cease to have control over the Target Company. Accordingly, the retained interest will be recognised as an investment in an associate and accounted for using the equity method in accordance with HKAS 28 Investments in Associates and Joint Ventures.

   For the purpose of the Unaudited Pro Forma Financial Information, an investment in associate of approximately HK$13,992,000 has been recognised. Such amount is determined with reference to the illustrative gain on disposal calculation disclosed in the Letter from the Board, which attributes an equity value of approximately HK$42,650,000 to the retained 49% equity interest in the Target Company and a provision for diminution in value of approximately HK$28,658,000 in respect of such retained interest. Accordingly, the resulting value of the retained interest amounts to approximately HK$13,992,000.

   The actual amount to be recognised upon Completion may differ from the amount presented herein and will be subject to, among other matters, the valuation of the retained interest and other relevant adjustments prevailing at the Completion Date.

5. Pursuant to the Sale and Purchase Agreement, certain arrangements are required to be completed prior to Completion, including the settlement of intercompany balances between the Target Company and other members of the Group and the provision of an interest-free shareholder's loan of HK$20,000,000 by the Vendor to the Target Company. For the purpose of the Unaudited Pro Forma Financial Information, adjustments have been made to reflect the effects of such arrangements, together with estimated transaction costs of approximately HK$600,000 directly attributable to the Disposal, as if they had occurred immediately prior to Completion.

6. The adjustment represents the assumed exercise of the Put Option immediately at the grant date and the corresponding acquisition by the Group of the remaining 51% equity interest in the Target Company. For the purpose of the Unaudited Pro Forma Financial Information, the Put Option has been assumed to be exercised at a consideration of approximately HK$53,258,883, being the maximum repurchase payment payable by the Vendor pursuant to the Supplemental Agreement dated 24 August 2026. Accordingly, the financial effects arising from the assumed exercise of the Put Option have been reflected as if the Put Option had been exercised immediately at the grant date. The adjustment includes (i) derecognition of the investment in associate recognised pursuant to Note 4 and (ii) recognition of goodwill arising from the acquisition of the remaining 51% equity interest in the Target Company. In the absence of a purchase price allocation exercise, the excess of the assumed consideration over the carrying value of the identifiable net assets acquired has been recognised as goodwill for the purpose of the Unaudited Pro Forma Financial Information. The actual consideration payable upon exercise of the Put Option and the resulting financial effects may differ from those presented herein and will depend on the facts and circumstances prevailing at the date of exercise of the Put Option.

The adjustment of approximately HK$26,352,000 represents the net cash outflow arising from the assumed exercise of the Put Option. The amount has been determined with reference to the maximum repurchase payment of HK$53,259,000 payable pursuant to the Supplemental Agreement, after considering the financial effects of the Disposal reflected in Notes 2 to 5, including the Consideration received and receivable, the cash and cash equivalents of the Target Company derecognised upon Completion and the pre-completion arrangements contemplated under the Sale and Purchase Agreement.

The net cash inflow of approximately HK$26,352,000 comprised the consideration refund of HK$30,000,000, the Target Company's cash and cash equivalents of approximately HK$16,635,000, and the consideration received of approximately HK$44,390,000. This was offset by the decrease in Target Company's cash and cash equivalents immediately before disposal of approximately HK$4,100,000, which represented the settlement of the current account with Group, and the consideration paid to the Purchaser of approximately HK$53,259,000.

The approximately HK$1,400,000 net cash outflow relating to trade receivables, other receivables and repayments arose from the assumed exercise of the Put Option, which reversed the effects of Notes 2 to 5.

	HK$'000
Investments in associate	13,992
Add: Consideration	53,259
Less: NAV of Target Company	(28,555)
Goodwill	38,696

7. Apart from the adjustments described above, no adjustment has been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2026.