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**Ref. : DEVB(PSGO) 38/1**
**Group : 5**

**9 February 2026**

# Development Bureau Technical Circular (Works) No. 2/2026

# Modular Integrated Construction (MiC)

## Scope

This Circular sets out the policy on the adoption of Modular Integrated Construction (MiC) for new building works[1] with total construction floor area (CFA) larger than 300m$^2$ under the Capital Works Programme (CWP). It also introduces measures to ensure the effective implementation of MiC. The newly incorporated List of Approved MiC Suppliers shall apply to capital works projects with tenders to be invited on or after 1 April 2026.

## Effective Date

2. This Circular shall take immediate effect.

## Effect on Existing Circulars and Circular Memoranda

3. This Circular supersedes DEVB TC(W) No. 4/2024.

[1] Including building works funded under Heads 702 to 707, 709 and 711; and Capital Subvention Projects under Head 708 of the Capital Works Reserve Fund (CWRF).

## Background

4. MiC is a construction method whereby freestanding volumetric modules with finishes, fixtures, fittings, furniture and building services installation, etc. manufactured off-site and then transported to site for assembly.

5. MiC has the benefits of enhanced efficiency, shortened construction period, improved site safety performance, better building quality, less construction waste, less demand for site labour as well as less construction nuisance, etc. MiC not only contributes to the quality and sustainable built-environment but also help ease the challenges of the local construction industry.

6. Since the Chief Executive's Policy Address in 2017, the Government has been promoting MiC through pilot applications in capital works projects and incentivizing private sector developments to adopt MiC. Taking forward these efforts, the Government has implemented a series of measures to strengthen the supply chain for MiC modules and has worked closely with the Guangdong Provincial Government to build the Greater Bay Area (GBA) into a MiC technology and construction hub, and to promote MiC as a new quality productive force and a strategic industry that expands to the international arena.

7. To drive MiC adoption, the Development Bureau (DEVB) established a cross-departmental MiC Steering Committee in 2019, which was subsumed in 2023 into the Steering Committee on High Productivity Construction (SC). The Terms of Reference and membership of the SC are enclosed in **Annex I**. The SC is supported by a Consultative Committee (CC) to gather industry views and a Technical Sub-committee (TSC) to provide technical advice.

8. To spearhead MiC under the wider framework of High Productivity Construction, the revised DevB TC(W) No. 4/2024 , issued in September 2024, introduced the Steering Committee on High Productivity Construction to oversee MiC development, established a Modular Integrated Construction Dedicated Section (MiC Dedicated Section) to provide technical support, and broadened the scope of MiC by requiring an overall adoption rate of at least 50% of the total construction floor area for building types 1 to 6. It also formalized milestone payment mechanisms to ease contractors' cash flow and aligned MiC development with Hong Kong's role in the GBA, marking a shift from initial promotion to structured, industry-wide implementation.

9. DEVB has engaged the Building Technology Research Institute (BTRi) to implement the Modular Integrated Construction Manufacturer Accreditation Scheme (MiC-MAS). The MiC-MAS aims to enhance the quality and reliability of MiC modules by requiring accredited manufacturers to adhere to rigorous production processes and quality benchmarks, thereby reinforcing trust and professionalism within the industry. Leveraging the GBA as a main manufacturing base, the MiC-MAS fosters collaboration among regional stakeholders, strengthens the MiC supply chain, and supports Hong Kong's regional leading position in adoption of MiC.

10. This Circular supersedes DEVB TC(W) No. 4/2024 to further strengthen the policy framework. It introduces the MiC-MAS, formalizes the list of approved suppliers for public works, and streamlines quality assurance arrangements. These measures enhance reliability of MiC modules, safeguard project quality, and support the long-term development of a robust MiC supply chain for Hong Kong.

## Policy

11. The Government shall continue to lead by example through capital works projects to spearhead the wider adoption of MiC and advance the MiC technology in Hong Kong. MiC shall be adopted for new building works of suitable building types of capital works projects as listed in **Annex II** and achieve the overall MiC adoption rate as stated.

12. The policy is applicable to relevant capital works projects in the feasibility, investigation, planning or design stages irrespective of modes of delivery. To fully harness the benefits of MiC, the adoption of MiC shall be considered at early design stage. The project teams shall consider adoption of MiC in preparing the Technical Feasibility Statement (TFS) and during the review of the preliminary design by the departmental Review Committee[2] (or a setup of similar authority for subvented projects). Tender provisions shall also encourage contractor proposals that can lead to programme and cost savings.

[2] Refer to requirements stated in ETWB TC(W) No. 19/2003.

Holistic Design Approach

13. In addition to MiC, project teams shall consider other high productivity construction methods, such as Multi-trade integrated Mechanical, Electrical and Plumbing (MiMEP) from the outset when formulating early design proposal.

14. To ensure effective MiC implementation, module transportation shall be considered in the first place to determine optimum sizes and configurations. Building layouts, structural systems and building services shall be conducive to efficient MiC installation, while in-situ structural and finishing works shall be minimized. Site logistics, including just-in-time delivery, staging areas, lifting operations, installation sequencing, and integration with in-situ works, shall be thoroughly considered in advance. Integration of these considerations at the early design stage shall enable projects to realize the full benefits of MiC, including efficiency, quality assurance, and sustainability. Conversely, piecemeal[3] or non-structural module[4] often creates additional interfaces and complications during construction, resulting in higher costs and reduced efficiency.

Milestone Payment

15. To reflect the actual resources spent upfront in module design and work done by the contractors in implementing the MiC works, with a view to enhancing their cash flow, project teams shall adopt a milestone payment mechanism for MiC works under capital works contracts, with payments released upon achievement of defined milestones. The milestone framework, which is endorsed by the SC and has been implemented, is set out in **Annex III**.

List of Approved MiC Suppliers

16. To strengthen quality assurance for MiC manufacturing, the Government shall adopt the BTRi's list of accredited MiC Manufacturers (both Full Certificate and Provisional Certificate) under the MiC-MAS as the list of approved MiC suppliers for public works, either under a direct supply contract or through a sub-contract with the building contractor. However, manufacturers holding provisional accreditation shall be restricted to supplying MiC modules

[3] MiC units scattered across a project rather than grouped in a coordinated manner make installation more difficult.

[4] Non-structural module applications, such as slot-in or box-in-box approaches (i.e. modules which are supported by the surrounding building structure, as they do not function as load-bearing elements), are not regarded as MiC and are not counted towards the MiC adoption rate.

with a value[5] not exceeding HK$400 million. This arrangement ensures that capital works projects benefit from a reliable MiC supply chain, while providing a clear pathway for manufacturers to progress from provisional to full accreditation.

17. To adopt the list of approved MiC suppliers, project teams shall incorporate into the tender document the relevant provisions of NEC ECC HK Edition and NEC4, relating to quality assurance for MiC modules, as set out in **Annex IV**.

Streamlined arrangements for MiC modules fabricated in accredited factory

18. With a robust quality assurance system in place for accredited MiC factories, the Government has introduced streamlining measures to enhance efficiency in module fabrication. Project teams shall adopt self-certification for plumbing installations in MiC projects, as permitted by the Water Supplies Department through Circular Letter No. 13/2025. Project teams shall also accept full certification under the MiC-MAS as an alternative to the submission of ISO 9001 certification and Quality Assurance Scheme, in line with the Buildings Department's Practice Note for Authorized Persons, Registered Structural Engineers and Registered Geotechnical Engineers ADV-36. Together with other upcoming measures introduced by departments, these arrangements shall simplify compliance procedures and shorten approval timelines, while ensuring that safety and performance standards remain uncompromised.

Modular Integrated Construction Dedicated Section

19. A MiC Dedicated Section has been established under the Project Strategy and Governance Office (PSGO) of DEVB serving as a one-stop platform to provide technical advice and supports to individual project and further promote the adoption of HPC to the industry.

20. Project offices / works agents are encouraged to approach the MiC Dedicated Section at early stage of the project for advice on their MiC design proposal if they consider there are issues on the MiC adoption in their projects. The MiC Dedicated Section is prepared to provide technical advice and support to individual projects encountering difficulties in implementation.

[5] The value refers to the contract value for supplying MiC modules by an approved MiC supplier through (i) a direct supply contract with the Government, or (ii) a sub-contract with the building contractor under a building contract.

## Exemption

21. There may be exceptional grounds[6] affecting the suitability of adopting MiC for the various building types in **Annex II** or achieving the overall 50% MiC adoption rate. When such circumstances arise, the project office / works agent concerned shall seek exemption from the SC via PSGO of DEVB. The project information required to be submitted to SC is listed in **Annex V**.

22. Subject to sufficient information being provided for projects seeking exemption, the SC will grant its decision normally within 28 calendar days upon receipt of the application for exemption.

23. Adoption of MiC may be suitable in some circumstances[7] even for projects or building types other than those listed in **Annex II**. In such cases, the project offices are encouraged to duly consider adopting MiC in their projects and could seek steering from the SC if necessary.

## Management and Updating of Project List

24. The PSGO shall be responsible for managing and updating the project list in **Annex II** on a need basis.

## Enquiries

25. Enquiries on this Circular should be addressed to Chief Assistant Secretary (Works) 1.

**( Ricky C K LAU )**
**Permanent Secretary for Development (Works)**

[6] Examples of exceptional grounds include stringent site constraints and/or project programme limitation, etc.
[7] With needs of relocation and reassembly, expediting construction, minimising environmental nuisances, etc.

# STEERING COMMITTEE ON HIGH PRODUCTIVITY CONSTRUCTION

## TERMS OF REFERENCE

1. To oversee the High Productivity Construction (HPC) policy in Hong Kong;

2. To steer and oversee adoption of HPC in government and government-funded building projects, including vetting projects seeking for exemptions, resolving hurdles and coordinating efforts of various departments;

3. To explore ways to encourage adoption of HPC in projects other than those in item 2 above;

4. To identify and address regulatory issues relating to HPC;

5. To provide high-level technical advice and support to other policy bureau or departments on adoption of HPC;

6. To coordinate the development of HPC methods and streamlining of related approval process to remove barriers for the industry; and

7. To formulate measures to strengthen MiC supply chain, including marking available Land in Northern Metropolis for manufacturing and storage of modules by the industry, and formulate measures to facilitate transportation and testing of MiC modules.

# STEERING COMMITTEE ON HIGH PRODUCTIVITY CONSTRUCTION

## MEMBERSHIP

**Chairman:**

Permanent Secretary for Development (Works)

**Members:**

Director of Architectural Services

Director of Buildings

Director of Electrical and Mechanical Services

Director of Water Supplies

Deputy Secretary (Planning & Lands) 1, DEVB

Head of Project Strategy and Governance Office, DEVB

Deputy Secretary for Financial Services and the Treasury (Treasury)3, FSTB

Deputy Director of Environmental Protection (1), EPD

Deputy Commissioner/Planning & Technical Services, TD

**Secretary:**

Chief Assistant Secretary (Works)1

**Ad-hoc members** (to be invited on a need basis):

Deputy Director (Development & Construction), Housing Department

Deputy Director of Lands/General, LandsD

Deputy Commissioner, C&ED

Deputy Director of Fire Services, FSD

Deputy Director of Planning/District, PlanD

Deputy Director of Marine, MD

Any other relevant Bureaux / Departments

# Adoption of MiC in various building types

| | Building types | Accommodations to adopt MiC |
|---|---|---|
| 1. | Staff quarters | • Residential units<br>• Kitchens |
| 2. | Hostels | |
| 3. | Residential and Care Homes[#] | • Residential units<br>• Supporting areas in residential floors<br>• Nursing areas, e.g. consultation rooms<br>• Accommodation for staff |
| 4. | Schools | • Classrooms<br>• Principal / teachers' rooms, special rooms, laboratories, libraries |
| 5. | Office buildings | • Office areas |
| 6. | Data center buildings | • Server rooms<br>• UPS rooms<br>• Support offices |
| 7. | Medical facilities | • Wards<br>• Supporting areas in ward floors<br>• Consultation rooms<br>• Treatment rooms<br>• Accommodation for medical staff, e.g. quarters and offices<br>• Education facilities, e.g. classrooms |
| General facilities for the above building types | | • Pantries, lavatories, shower rooms and changing rooms<br>• Lift shafts and lift machine rooms |

Notes:

1. For building types 1 to 6, the use of MiC is mandated. For capital works projects with Technical Feasibility Statement approved on or after 6 September 2024, these building types shall achieve an overall MiC adoption rate at no less than 50% of the total construction floor area. Exemption from SC is necessary if these requirements cannot be met. The listed accommodations under the respective building types shall be adopted whenever practicable.

   For the purpose of calculating the MiC adoption rate, the area for basement, covered landscape / playground area, carpark and loading / unloading area shall be excluded from the total construction floor area. Non-structural module applications, such as slot-in or box-in-box approaches, are not regarded as MiC and are not counted towards the MiC adoption rate. For school buildings, the area for assembly hall shall also be excluded.

2. For building type 7 - medical facilities, the use of MiC is mandated. Given the diversity in planning requirements, PSGO should be consulted on the MiC adoption requirements for individual medical facilities. Exemption from SC is necessary where there are genuine difficulties in practical adoption. To maximise MiC adoption, the listed accommodations and other suitable parts of medical facilities shall be adopted whenever practicable, and reference may be made to the Hospital Authority's ongoing consultancy studies on standardisation and modern methods of construction for hospital facilities.

3. Project office / works agent shall also aim to adopt MiC in other parts of the building, which can be counted towards the overall MiC adoption rate.

4. For campus-type development, the building type and the calculation of MiC adoption rate shall be considered separately for each individual building block.

# The building type 'Residential and Care Homes' refers to purpose-built buildings intended for residential and care-home use. Composite developments in which only a portion of the accommodation is designated for residential and care-home functions (e.g. care-homes within housing developments or within mixed-use buildings) fall outside the scope of this building type.

## Milestone Payment for Modular Integrated Construction Works

As compared to conventional site-based practices, the adoption of MiC requires comprehensive design and implementation plan including the programming and logistics arrangments to facilities the manufacturing, delivery and assembly processes. To this end, contractors have to spend considerable resources in the early planning and preparation stage, and to finance high upfront cost of the design and factory modularization.

2. As promulgated under DEVB's memo ref. DEVB(W) 510/83/08 dated 8.3.2011, interim payment for major off-site prefabrication works could be made subject to relevant precedent conditions including, among others, the maintenance of an effective bond to cover the prefabrication works.

3. To reflect the actual resources spent and work done by the contractors in implementing the MiC works with a view to enhancing their cash flow, it is proposed that for capital works contracts involving building works adopting MiC, a milestone payment mechanism should be set for the MiC works. Payment to the contractors shall be made upon achievement of the milestones, and the payment for off-site completed modules shall be made subject to relevant precedent conditions including, among others, a duly executed vesting certificate signed by the contractor instead of maintaining an effective bond. The milestone payment for MiC works (see table below) has been discussed and endorsed by the Steering Committee on High Productivity Construction (SC).

| **Stage** | **Milestone** | **Payment percentage of total MiC works value#** |
|---|---|---|
| 1 | Drawings for all MiC modules approved | 4% |
| 2 | Mock-up for all MiC modules approved | 8% |
| 3 | Preparatory works necessary for commencement of fabrication of all MiC modules completed | 8% |
| 4* | MiC modules completed off-site | 35% |
| 5* | MiC modules delivered to Site | 25% |
| 6* | MiC modules fixed-in-final-position | 20% |

* For stage 4, 5 and 6, interim payment shall be certified according to the proportion of works completed in each stage

\# The payment percentage should not be changed unless with SC's prior approval

4. It should be noted that the milestone payment for MiC works is not applicable to NEC ECC target contracts, i.e. Option C and Option D, in which the cost reimbursable payment approach serves the purpose.

5. In case project teams consider it not practical to implement the milestone payment for MiC works under individual capital works contract involving building works adopting MiC, approval from an officer at D2 rank or above shall be obtained beforehand. The approval given shall be copied to CAS(W)1, PSGO, DEVB for information.

6. The milestone payment for MiC works shall be adopted for capital works contracts involving building works adopting MiC for which tenders are to be invited on or after 1 January 2024. The relevant contract provisions have been incorporated into the Library of Standard Additional Conditions of Contract for the NEC ECC Hong Kong Edition and the NEC4 contract documents.

# Provisions for NEC ECC HK Edition & NEC4 contract for Quality Assurance for Modular Integrated Construction Modules

## NEC ECC HK Edition - Clause 11.[X] of Section 11 on Quality under the Scope Provided by the Client

| | | | |
|---|---|---|---|
| **11.[X]** | **Quality Assurance for Modular Integrated Construction modules** | 11.[X].1 | The Contractor only uses Modular Integrated Construction modules that are supplied by a MiC manufacturer accredited under the Modular Integrated Construction Manufacturer Accreditation Scheme administered by the Building Technology Research Institute. |

## NEC4 - Clause D[XX] of the additional conditions of contract

| | | |
|---|---|---|
| D[XX] | All Modular Integrated Construction modules for incorporation into the works shall be supplied by a MiC manufacturer accredited under the Modular Integrated Construction Manufacturer Accreditation Scheme administered by the Building Technology Research Institute. | **Quality Assurance for Modular Integrated Construction modules** |

## List of Project Information Required for Application of Exemption

To facilitate the SC in considering to grant exemption for adopting MiC, the following project information shall be submitted:

(a) brief description of the project;

(b) project implementation programme;

(c) design constraints;

(d) user requirements, such as any special functional or aesthetic requirements;

(e) building design options;

(f) justifications for not adopting MiC for different design options, e.g. stringent site constraints, project programme limitation, etc.; and

(g) any other information as may be required by PSGO.