



SUNDART HOLDINGS LIMITED
承達集團有限公司

(incorporated under the laws of British Virgin Islands with limited liability)
Stock code: 1568

A large, vibrant graphic dominates the center of the page. It consists of a central white circle containing the text "2025" in large orange numerals and "INTERIM REPORT" in smaller teal capital letters below it. This central circle is surrounded by a complex, multi-layered design of overlapping circles and teardrop shapes. These shapes are filled with various patterns, including solid colors (like green, yellow, orange, and blue), diagonal stripes, and floral motifs. The overall color palette is bright and cheerful, with a mix of warm and cool tones. The background of the entire page is a soft, light blue gradient, with additional abstract shapes and patterns visible in the corners and around the central graphic.

2025
INTERIM REPORT

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ng Tak Kwan (*Chief Executive Officer*)
Mr. Ng Chi Hang
Mr. Ding Jingyong
Mr. Guan Yihe
Mr. Xie Jianyu (*Chief Financial Officer*)

Non-executive Director

Mr. Liu Zaiwang (*Chairman*)

Independent non-executive Directors

Ms. Tam Yin Ming Cecilia
Mr. Huang Pu
Mr. Li Zheng

AUDIT COMMITTEE

Ms. Tam Yin Ming Cecilia (*Chairlady*)
Mr. Huang Pu
Mr. Li Zheng

REMUNERATION COMMITTEE

Mr. Huang Pu (*Chairman*)
Mr. Ng Tak Kwan
Ms. Tam Yin Ming Cecilia

NOMINATION COMMITTEE

Mr. Liu Zaiwang (*Chairman*)
Mr. Huang Pu
Mr. Li Zheng
Ms. Tam Yin Ming Cecilia

INTERNAL CONTROL COMMITTEE

Mr. Liu Zaiwang (*Chairman*)
Mr. Xie Jianyu

COMPANY SECRETARY

Ms. Chui Muk Heung

AUTHORISED REPRESENTATIVES

Mr. Xie Jianyu
Ms. Chui Muk Heung

AUDITOR

BDO Limited
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance
25/F, Wing On Centre
111 Connaught Road Central
Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

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Room 1408, 14/F, Dominion Centre
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Hong Kong

PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited
Dah Sing Bank, Limited
Hang Seng Bank Limited
United Overseas Bank Limited

REGISTERED OFFICE

Commerce House
Wickhams Cay 1
P.O. Box 3140, Road Town
Tortola
British Virgin Islands VG1110

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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BVI PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (BVI) Limited
Commerce House
Wickhams Cay 1
P.O. Box 3140, Road Town
Tortola
British Virgin Islands VG1110

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AND TRANSFER OFFICE**

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Shops 1712–1716, 17/F
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STOCK CODE

1568

COMPANY'S WEBSITE

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INVESTOR RELATIONS

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Management Discussion and Analysis

MARKET REVIEW

During the six months ended 30 June 2025 (the “**Period**”), the economy of the Hong Kong Special Administrative Region (“**Hong Kong**”) experienced a solid growth. This was primarily driven by increases in exports of goods and services, as well as the moderate growth in overall investment expenditure. According to the Census and Statistics Department (the “**C&SD**”) of the government of Hong Kong (the “**Hong Kong Government**”), Hong Kong’s gross domestic product (“**GDP**”) increased by 3.1% year-on-year in real terms in the first quarter of 2025.

According to the provisional results of the “Report on the Quarterly Survey of Construction Output” published by the C&SD, the total gross value of construction works (the “**GVCW**”) carried out by main contractors in Hong Kong increased by 1.9% year-on-year in nominal terms to HK\$70.5 billion in the first quarter of 2025. However, the GVCW carried out at private sector sites decreased by 10.7% year-on-year in nominal terms to HK\$19.4 billion in the first quarter of 2025. Nevertheless, the GVCW carried out at construction sites in respect of residential building projects increased by 5.0% year-on-year in nominal terms to HK\$20.9 billion in the first quarter of 2025. During the Period, Hong Kong’s property market became more active, driven by a low interest rate environment and ample local liquidity, which in turn boosted demand for fitting-out works in Hong Kong.

Information from the Statistics and Census Service of the government (the “**Macau Government**”) of the Macau Special Administrative Region (“**Macau**”) indicated that Macau’s revised GDP decreased by 1.3% year-on-year in real terms to Macau Pataca (“**MOP**”) 99.8 billion in the first quarter of 2025. This decrease was primarily due to a relatively high base in the same quarter last year, changes in visitor consumption patterns and other factors. Despite this, visitor arrivals increased by 11.1% year-on-year to 9.8 million in the first quarter of 2025, while exports of gaming services increased by 1.6% year-on-year. Furthermore, benefiting from continued increases in corporate investments in Macau, gross fixed capital formation increased by 7.3% year-on-year in the first quarter of 2025, of which private construction investment increased by 24.1% year-on-year. The Gaming Inspection and Coordination Bureau of Macau indicated that gross gaming revenue increased by 0.6% year-on-year to MOP57.7 billion in the first quarter of 2025. With Macau’s tourism industry steadily recovering, the entertainment and hospitality sectors have grown, accelerating related construction projects and creating stable demand for fitting-out works in Macau.

In the first half of 2025, the economy of the Republic of Singapore (“**Singapore**”) continued to demonstrate resilience despite persistent global uncertainties. According to the estimates from the Ministry of Trade and Industry of the government of Singapore, Singapore’s GDP increased by 4.3% year-on-year in real terms in the second quarter of 2025. The construction sector remained a bright spot, increased by 4.9% year-on-year in the second quarter of 2025, slightly decreased from 5.1% in the first quarter of 2025. This growth was supported by sustained public sector investments, with large-scale infrastructure projects such as the Cross Island Line (Phase 2) of Mass Rapid Transit, Changi Airport Terminal 5, and the redevelopment of Housing and Development Board towns. Meanwhile, ongoing renovations in the hospitality and integrated resort sectors continued to create opportunities for high-end fitting-out works, particularly in luxury hospitality and entertainment venues. Overall, the performance of Singapore’s high-end fitting-out industry remained solid in the first half of 2025, supported by both the construction and integrated resort sectors.

According to the preliminary estimates of the National Bureau of Statistics of the People’s Republic of China (the “**PRC**”), the PRC’s GDP increased by 5.4% year-on-year to Renminbi (“**RMB**”) 31,875.8 billion in the first quarter of 2025. However, in the first quarter of 2025, investments in real estate development decreased by 9.9% year-on-year to RMB1,990.4 billion, among which, investments in residential properties decreased by 9.0% year-on-year to RMB1,513.3 billion. The floor space of newly started area of properties decreased by 24.4% year-on-year to 130.0 million square metres (“**m²**”), of which the floor space of the newly started residential area decreased by 23.9% year-on-year to 94.9 million m². The real estate market thus remained in a cycle of adjustment, with a decline in the growth of real estate sales and investment, which inevitably impacted the fitting-out industry in the PRC.

BUSINESS REVIEW

SUNDART HOLDINGS LIMITED 承達集團有限公司 (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) is one of the leading integrated fitting-out contractors in Hong Kong, Macau, Singapore and the PRC, specialising in providing professional fitting-out works for commercial buildings, hotels and residential properties. The Group also engages in the provision of alteration and addition and construction works in Hong Kong; and manufacturing in the PRC of, and international sourcing and distribution of, interior decorative materials. During the Period, approximately 97.8% of the Group’s revenue was derived from its fitting-out business.

The Period was marked by continued economic volatility, with geopolitical uncertainties impacting global markets and international trade flows. The Group remained alert to shifts in the external economic environment, adopted flexible marketing strategies and actively sought collaboration opportunities across various regions to enhance its market presence and stabilise its operations. By consistently delivering stable, high-quality projects over the long term, the Group has earned the trust of customers and the cooperation from them. During the Period, the Group secured several large-scale fitting-out projects, further consolidating its market position.

Fitting-out works

The Group’s fitting-out business primarily comprises fitting-out works carried out for commercial buildings, hotels, residential properties, serviced apartments and other properties in Hong Kong, Macau, Singapore and the PRC. During the Period, the fitting-out business remained a key contributor to the Group’s revenue and profit.

During the Period, the Group completed a total of 26 fitting-out projects, including 10 in Hong Kong, 4 in Macau and 12 in the PRC. The total contract sum of such projects amounted to HK\$1,469.8 million, out of which HK\$200.6 million was recognised as revenue during the Period. As at 30 June 2025, the Group had 206 projects on hand (including contracts in progress and contracts signed but yet to commence), including 34 in Hong Kong, 5 in Macau, 5 in Singapore and 162 in the PRC. The total contract sum and value of the outstanding works of such projects as at 30 June 2025 amounted to HK\$14,625.0 million and HK\$6,825.3 million, respectively.

During the Period, the Group’s revenue derived from its fitting-out business decreased by HK\$529.5 million or 19.2% year-on-year to HK\$2,233.4 million (six months ended 30 June 2024 (the “**Previous Period**”): HK\$2,762.9 million). Such decrease was primarily attributable to a number of sizeable fitting-out projects carried out in Hong Kong and Singapore during the Previous Period. As a result, the Group’s revenue derived from its fitting-out business in Hong Kong and Singapore decreased by HK\$814.5 million, as compared to the Previous Period.

The Group’s gross profit derived from its fitting-out business during the Period decreased by HK\$137.9 million or 35.4% year-on-year to HK\$251.7 million (Previous Period: HK\$389.6 million). The decrease in gross profit was mainly attributable to the decrease in revenue and the decrease of gross profit margin of its fitting-out business from 14.1% for the Previous Period to 11.3% for the Period.

Alteration and addition and construction works

The Group carried out alteration and addition and construction business, including construction, interior decoration, repair, maintenance and alteration and addition works, in Hong Kong.

During the Period, the Group did not complete any alteration and addition and construction projects.

During the Period, the Group’s revenue derived from its alteration and addition and construction business increased by HK\$1.9 million or 63.3% year-on-year to HK\$4.9 million (Previous Period: HK\$3.0 million). Such increase was primarily attributable to the final account agreement for a residential construction project.

The Group's gross profit derived from its alteration and addition and construction business was HK\$2.2 million during the Period (Previous Period: gross loss of HK\$4.8 million), whilst the gross profit margin was 44.9% (Previous Period: gross loss margin of 160.0%). Such gross profit and gross profit margin mainly resulted from the final account agreement for a residential construction project.

Manufacturing, sourcing and distribution of interior decorative materials

One of the Group's core competencies lies in its manufacturing base and research and development centre in the PRC. Through the Group's subsidiary, 東莞承達家居有限公司 (Dongguan Sundart Home Furnishing Co., Ltd.*) ("**Dongguan Sundart**"), the Group operates a manufacturing plant and a warehouse located in Dongguan, Guangdong Province, the PRC, the aggregate gross floor area of which is over 40,000 m². Dongguan Sundart manufactures interior decorative timber products including fire-rated timber doors and wooden furniture, and provides quality and reliable re-engineering and pre-fabrication services for sizeable fitting-out projects undertaken by the Group.

During the Period, the Group's revenue of its manufacturing, sourcing and distribution of interior decorative materials business derived from external customers increased by HK\$44.3 million to HK\$44.5 million (Previous Period: HK\$0.2 million). Such increase was due to a new order for the sales of timber products and marble from the Republic of the Philippines (the "**Philippines**") during the Period.

In addition, the Group's gross profit derived from its manufacturing, sourcing and distribution of interior decorative materials business was HK\$11.3 million during the Period (Previous Period: HK\$0.14 million), whilst the gross profit margin was 25.4% (Previous Period: 70.0%). Such gross profit and gross profit margin for the Period mainly generated from an order made by a Philippines' customer with a relatively high gross profit margin.

FINANCIAL REVIEW

Revenue, gross profit and gross profit margin

During the Period, the Group's revenue decreased by HK\$483.3 million or 17.5% year-on-year to HK\$2,282.8 million (Previous Period: HK\$2,766.1 million), its gross profit decreased by HK\$119.7 million or 31.1% year-on-year to HK\$265.2 million (Previous Period: HK\$384.9 million) and its gross profit margin decreased to 11.6% (Previous Period: 13.9%). Such decrease in revenue, gross profit and gross profit margin were primarily due to the decrease in its fitting-out business as discussed under the paragraph headed "Business Review – Fitting-out works" above.

Other income, other gains and losses

The Group recorded net other income of HK\$17.3 million for the Period (Previous Period: net other losses of HK\$27.8 million). This improvement was mainly driven by a turnaround in the fair value changes of financial assets at fair value through profit or loss ("**FVTPL**"), from a net loss of HK\$37.2 million in the Previous Period to a net gain of HK\$2.6 million in the Period. Details of other income, other gains and losses are set out in note 5 to the condensed consolidated financial statements in this interim report.

Profit for the period attributable to owners of the Company

The Group's profit for the period attributable to owners of the Company decreased by HK\$31.8 million or 19.0% year-on-year to HK\$135.4 million (Previous Period: HK\$167.2 million) as a result of the decrease in gross profit as discussed above.

Basic and diluted earnings per share

The Company's basic and diluted earnings per share for the Period was HK6.27 cents (Previous Period: HK7.75 cents), decreased by HK1.48 cents or 19.1% year-on-year, which is in line with the decrease in profit for the period attributable to owners of the Company. Details of earnings per share are set out in note 10 to the condensed consolidated financial statements in this interim report.

Material acquisition and disposal

On 9 April 2025, GLORYEILD ENTERPRISES LIMITED, a direct wholly-owned subsidiary of the Company, Lead Rise International Limited 朗昇國際有限公司 and Quarella Global Limited (the "**JV Company**") entered into a shareholders' deed in relation to the formation of a joint venture company for the acquisition of the entire issued share capital of Quarella Group Limited ("**Quarella Group**") and all amounts owing by Quarella Group to Quarella Holdings Limited ("**Quarella Holdings**") as at completion of the acquisition (the "**Acquisition**").

Immediately after the shareholders' deed was entered into, the JV Company (as purchaser) entered into a sale and purchase agreement with Quarella Holdings (as vendor) in relation to the Acquisition. The consideration for the Acquisition was HK\$240.0 million.

For details, please refer to the announcement of the Company dated 9 April 2025.

Save as disclosed above, no other material acquisition and disposal of subsidiaries, associates and joint ventures was carried out by the Group during the Period.

Financial assets at FVTPL

As at 30 June 2025, the Group's financial assets at FVTPL comprised HK\$19.5 million and HK\$6.7 million (31 December 2024: HK\$17.0 million and HK\$6.5 million) of listed equity securities and financial products, respectively.

During the Period, the Group recognised a fair value gain of HK\$2.6 million in profit or loss on its financial assets at FVTPL, mainly due to an increase in the market price of listed equity securities.

In terms of the prospects of the Group's financial assets at FVTPL, the performance of the listed equity securities and financial products held by the Group will be subject to the performance of the relevant financial markets which may change rapidly and unpredictably in the future.

None of the above financial assets at FVTPL held by the Group had a value of 5% or more of the total assets of the Group, and the Group did not hold any significant investments during the Period.

The Group will continuously adopt a prudent investment strategy and assess the performance of its portfolio of investments so as to make timely and appropriate adjustments on its investments for the maximisation of returns to the shareholders of the Company (the "**Shareholders**"). In addition, as the Group is subject to the market risks associated with its investments, the management of the Group will closely monitor the performance of the Group's investments from time to time and take appropriate risk management actions.

Future plans for material investments or capital assets

As at 26 August 2025, the Group did not have any plans for material investments or capital assets.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and financial resources and capital structure

The management and control of the Group's financial, capital management and external financing functions are centralised at its headquarters in Hong Kong. The Group adheres to the principle of prudent financial management to minimise the financial and operational risks it is exposed to. During the Period, the Group mainly relied on internally generated funds to finance its business operations.

During the Period, the Group continued to maintain solid financial and cash positions. As at 30 June 2025, the Group's net current assets amounted to HK\$2,651.8 million, representing a decrease of HK\$495.8 million from HK\$3,147.6 million as recorded as at 31 December 2024. The Group's bank balances and cash amounted to HK\$1,856.7 million, representing a decrease of HK\$784.2 million from HK\$2,640.9 million as recorded as at 31 December 2024. Such decrease mainly resulted from the use of funds for dividend payments, operating activities, advances to a joint venture and purchases of property, plant and equipment.

As at 30 June 2025, the bank borrowings of the Group amounted to HK\$23.3 million (31 December 2024: HK\$10.9 million), all of which will be repayable within one year. There is no seasonality on the Group's bank borrowings.

During the Period, the Group continued to maintain a healthy liquidity position. As at 30 June 2025, the Group's current assets and current liabilities amounted to HK\$5,775.1 million and HK\$3,123.3 million, respectively (31 December 2024: HK\$6,516.6 million and HK\$3,369.0 million, respectively). The Group's current ratio as at 30 June 2025 slightly decreased to 1.8 (31 December 2024: 1.9). The Group maintained sufficient liquid assets to finance its business operations during the Period.

As at 30 June 2025, the Group's gearing ratio of total debts (bank borrowings) divided by total equity was 0.7% (31 December 2024: 0.3%). The increase in gearing ratio was primarily due to the increase in the Group's bank borrowings.

As at 30 June 2025, the share capital and equity attributable to owners of the Company amounted to HK\$1,246.8 million and HK\$3,477.2 million, respectively (31 December 2024: HK\$1,246.8 million and HK\$3,724.6 million, respectively).

Charge on the Group's assets

The Group's assets pledged for securing certain bank borrowings, certain bills payable, certain performance bonds and a tender bond comprised a commercial property and pledged bank deposits, which amounted to HK\$80.7 million and HK\$60.2 million, respectively as at 30 June 2025 (31 December 2024: HK\$82.6 million and HK\$55.5 million, respectively).

Contingent liabilities and capital commitments

The Group did not have any significant contingent liabilities as at 30 June 2025 and 31 December 2024, respectively.

As at 30 June 2025, the Group had capital commitments of HK\$117.3 million (31 December 2024: HK\$163.1 million) in relation to purchases of property, plant and equipment.

Exposure to fluctuations in exchange rates and interest rates and corresponding hedging arrangements

The Group operates in various regions with different foreign currencies including Euro, MOP, RMB, Singapore dollars and United States dollars. As at 30 June 2025, the Group's cash and cash equivalents held were mainly in Hong Kong dollars ("HK\$") and RMB. As at 26 August 2025, the Group did not implement any foreign currencies and interest rates hedging policies. The Group's management will closely monitor the movement of both exchange rate and interest rate and will consider to hedge against any significant aforesaid exposure when necessary.

Credit risk exposure

Though the Group's major customers are reputable property developers, hotel owners and main contractors, since 2020, the Group has experienced delays in the settlement of its PRC projects by property developers of the PRC, many of which experienced downgrading of credit ratings by international credit rating agencies. Considering the Group's historical credit losses, the current and forecasts of economic conditions of the PRC, forward-looking factors and prospects of the real estate industry of the PRC and taking into account the credit risk characteristics of different projects, the Group has assessed the individual's expected credit loss rate as well as the impairment losses under its expected credit loss model. Nonetheless, the Group will continue to monitor and strengthen its collection measures and adopt prudent credit policies to mitigate credit risk exposure. Save as disclosed herein, the Group was not exposed to any significant credit risk during the Period. The Group's management reviews the recoverability of trade receivables and closely monitors the financial position of the customers from time to time with a view of keeping the Group's credit risk exposure at a reasonably low level.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to the Period and up to 26 August 2025 which had materially affected the Group's operating and financial performance.

EMPLOYEES AND REMUNERATION POLICIES

The Group remunerates its employees based on performance, experience and the prevailing industry practice. Discretionary bonuses and share options may also be granted to eligible staff based on individual performance in recognition of their contribution and hard work. The Group also provides training programmes for its employees to equip themselves with requisite skills and knowledge.

As at 30 June 2025, the Group had 1,524 employees (31 December 2024: 1,628 employees). The Group's gross staff costs (including the emoluments of the Company's directors (the "**Directors**") increased by HK\$8.8 million or 3.7% year-on-year to HK\$247.9 million for the Period (Previous Period: HK\$239.1 million). Such increase was mainly attributable to the increase in salaries following the annual salary review during the Period.

PROSPECTS AND STRATEGIES

Given the numerous factors shaping the global economic environment, Hong Kong's economic growth is expected to face significant challenges. In response, the Hong Kong Government is committed to implementing various measures aimed at revitalising the economy. Among these, it plans to develop nine tourist hotspots that embody Hong Kong's unique characteristics, including ecology, culture and cuisine. These attractions are strategically designed to appeal to diverse traveller preferences, thereby enhancing economic benefits and reinforcing the concept that "tourism is everywhere in Hong Kong". Additionally, the Hong Kong Government will launch the Southbound Travel Scheme in November 2025, which will effectively facilitate the integration of the Guangdong-Hong Kong-Macao Greater Bay Area and further stimulate economic development in Hong Kong.

Meanwhile, the Hong Kong Government is pursuing various population policies to address acute manpower shortages in eight skilled trades by allowing non-local talents to apply for entry. These initiatives include a new channel under the General Employment Policy and the Admission Scheme for Mainland Talents and Professionals. Coupled with the Hong Kong Government's active trawl for talents overseas and the ongoing influx of students from the PRC, the demand in Hong Kong's residential property market is expected to increase.

Furthermore, several favourable factors are currently bolstering the property market in Hong Kong. These include a decline in the Hong Kong Interbank Offered Rate, a recent trade agreement concluded between the PRC and the United States, market speculation of potential interest rate cuts by the Federal Reserve System of the United States, and the ongoing commitment of the government of the PRC (the "**PRC Government**") to policies supporting Hong Kong's economic stability. These factors are expected to boost confidence in the property market, driving real estate demand and benefiting the fitting-out industry in Hong Kong. The Group will respond flexibly to evolving market conditions and proactively seize emerging business opportunities.

In the 2025 Policy Address, the Chief Executive of the Macau Government identified "enriching the content of Macau as a world tourism and leisure centre" as a key priority. The Macau Government aims to proactively expand into international markets across Northeast Asia, Southeast Asia, South Asia and South America, while deepening the cross-boundary integration of "Tourism +" initiatives. Through collaborating with Hengqin and other cities within the Guangdong-Hong Kong-Macao Greater Bay Area, Macau is developing more "multi-destination" tourism products to strengthen its positioning as a comprehensive tourism and leisure destination, showcasing its rich "Tourism +" elements to the world.

In June 2025, Macau announced visa-free entry and exemption from pre-entry permits for citizens of five Middle Eastern countries, including Saudi Arabia, Qatar, Kuwait, Bahrain and Oman. This policy is expected to attract high-end leisure and business travellers from these nations, thereby boosting Macau's overall consumption.

Furthermore, several integrated entertainment resorts are hosting a variety of events in arts and culture, entertainment, conventions and sports. These initiatives are designed to enhance Macau's appeal as a world-class tourist destination, further reinforcing its position as a world tourism and leisure centre. These large-scale events are expected to increase visitor arrivals, stimulating growth across gaming, retail, dining and hotel sectors, while also driving new hotel development, property development and renovation projects, creating opportunities for the fitting-out industry in Macau. The Group remains committed to actively participating in these large-scale and high-end fitting-out projects to capitalise on the market potential.

Looking ahead, Singapore's GDP growth for 2025 is expected to remain modest, ranging from 0.0% to 2.0%, reflecting persistent global trade uncertainties. The construction sector is expected to remain a key driver of domestic economic growth during the second half of 2025. Meanwhile, in the hospitality and integrated resort sectors, industry operators remain an optimistic outlook for improved performance in the second half of 2025, supported by the easing of renovation-related disruptions and renewed tourism momentum. These trends are expected to stimulate demand for high-end fitting-out services across newly developed hospitality and entertainment zones.

Notwithstanding prevailing uncertainties, industry operators remain cautiously optimistic about the second half of 2025, driven by the phased rollout of new themed attractions, upgraded hospitality offerings, and a gradual recovery in tourism arrivals. Leveraging the Group's proven track record and well-established customer base, it is strategically positioned to capitalise opportunities arising from this positive momentum. The Group remains prudently optimistic for the rest of 2025, as both the construction and hospitality and integrated resort sectors continue demonstrate structural resilience and renewed investment activity. With extensive experience in high-end fitting-out projects and strong regional execution capabilities, the Group is well-equipped to pursue emerging opportunities in Singapore and other Southeast Asian markets.

The PRC's economy is expected to face ongoing complex and severe challenges from both external and domestic fronts. In response, the PRC Government has introduced a series of stimulus measures and policies aimed at expanding domestic demand and stabilising the real estate market. Notably, the People's Bank of China, in coordination with six other government departments, jointly issued the "Guidelines on Reinforcing Financial Support for Boosting and Expanding Consumption". This initiative seeks to promote the supply of high-quality consumption and unlock potential growth in consumer spending. It outlines 19 key measures across six areas, including strengthening consumption capacity, expanding financial supply in the consumption sector, tapping into and unleashing household consumption potential, promoting more effective consumption supply, improving the consumption environment and reinforcing policy support. Furthermore, the PRC Government has earmarked RMB300 billion in 2025 to support local authorities in implementing the national consumer goods trade-in programme. In January and April 2025, two batches of central funding amounting to RMB162 billion were disbursed, with further allocations of RMB138 billion will be released in batches in the third and fourth quarters of 2025. This is expected to significantly boost consumption and facilitate industrial transformation and upgrading.

Regarding the stability of the real estate market, the Political Bureau of the Communist Party of China Central Committee held a meeting on 25 April 2025, during which the need to consolidate the stable development of the real estate market and increase the supply of high-quality housing were emphasised. It also highlighted the importance of optimising the policy for acquiring existing commercial housing. The State Council executive meeting held on 13 June 2025 reinforced the need for a stronger push to reverse the downturn and stabilise the real estate market, stressing a multi-faceted approach that includes stabilising expectations, stimulating demand, improving supply and mitigating risks. These policy directives convey consistent and positive signals, instilling confidence in the real estate market.

With the introduction of these robust stimulus measures, the PRC Government is expected to stabilise consumer confidence, boost domestic consumption, and support the recovery of the real estate market. The Group will continue to closely monitor policy developments in the PRC and operate with prudence and strategic foresight.

Looking forward, although escalating trade tensions and policy uncertainties may affect global economic growth, the ongoing development of Hong Kong's Northern Metropolis, phased launches of large-scale integrated entertainment projects in Macau, deepening integration within the Guangdong-Hong Kong-Macao Greater Bay Area and various development projects launched by countries along the Belt and Road Initiative, including in the Middle East and Southeast Asia, will create significant opportunities for the Group.

Amid these abundant market opportunities, the Group will accelerate its expansion into potential global markets. At the same time, it will continue to strengthen its brand presence, enhance its competitive advantages and maintain the highest standards of project quality. These efforts will consolidate the Group's leading position in the fitting-out industry and support its pursuit of sustainable growth and long-term value creation.

Corporate Governance and Other Information

INTERIM DIVIDEND

The board of Directors (the “**Board**”) did not recommend the payment of an interim dividend for the Period.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”)) which were required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) to be notified to the Company and the Stock Exchange are set out as follows:

Long position in the ordinary shares of the Company (the “Shares”) and underlying Shares

Name of Director	Nature of interests/capacity	Number of Shares held	Approximate percentage of interests in the Company
Mr. Liu Zaiwang (劉載望) (“ Mr. Liu ”) (note)	Interest in controlled corporation	1,281,516,117	59.38%

Note:

These Shares were indirectly held by 江河創建集團股份有限公司 (Jangho Group Company Limited*) (“**Jangho Co**”) through Jangho Hong Kong Holdings Limited (“**Jangho HK**”) and REACH GLORY INTERNATIONAL LIMITED (“**Reach Glory**”). As Jangho Co was approximately 27.86% beneficially owned by 北京江河源控股有限公司 (Beijing Jiangheyuan Holdings Co., Ltd.*) (“**Beijing Jiangheyuan**”) (a company which was 85% and 15% beneficially owned by Mr. Liu and his spouse, Ms. Fu Haixia (富海霞) (“**Ms. Fu**”), respectively) and approximately 25.53% beneficially owned by Mr. Liu, Mr. Liu was deemed to be interested in such Shares under the SFO.

Save as disclosed above, as at 30 June 2025, having made sufficient enquiry to and with the best knowledge of the Directors or the chief executive of the Company, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, and so far as is known to the Directors and the chief executive of the Company, the persons (other than the Directors or the chief executive of the Company) or entities who had an interest or a short position in the Shares and the underlying Shares (within the meaning of Part XV of the SFO), which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, are set out as follows:

Long positions in the Shares and underlying Shares

Name of substantial shareholder	Nature of interests/capacity	Number of Shares held	Approximate percentage of interests in the Company (Note 1)
Reach Glory	Beneficial owner	1,281,516,117	59.38%
Jangho HK (note 2)	Interest in controlled corporation	1,281,516,117	59.38%
Jangho Co (note 3)	Interest in controlled corporation	1,281,516,117	59.38%
Beijing Jiangheyuan (note 4)	Interest in controlled corporation	1,281,516,117	59.38%
Ms. Fu (note 5)	Interest of spouse	1,281,516,117	59.38%
Caiyun International Investment Limited ("Caiyun International")	Beneficial owner	353,144,337	16.36%
雲南省康旅控股集團有限公司 (Yunnan Health & Cultural Tourism Holding Group Co., Ltd.*) ("Yunnan Co") (note 6)	Interest in controlled corporation	353,144,337	16.36%

Notes:

- 2,158,210,000 Shares were in issue as at 30 June 2025.
- Reach Glory was beneficially wholly-owned by Jangho HK and therefore Jangho HK was deemed to be interested in the Shares held by Reach Glory under the SFO.
- Jangho HK was beneficially wholly-owned by Jangho Co and therefore Jangho Co was deemed to be interested in the Shares indirectly held by Jangho HK through Reach Glory under the SFO.
- Ms. Fu, the spouse of Mr. Liu, was the sole director of Beijing Jiangheyuan. The board of directors of Jangho Co was controlled by Beijing Jiangheyuan and therefore Beijing Jiangheyuan was deemed to be interested in the Shares indirectly held by Jangho Co through Jangho HK and Reach Glory under the SFO.
- Ms. Fu is the spouse of Mr. Liu and was therefore deemed to be interested in the Shares indirectly held by Mr. Liu under the SFO.
- Caiyun International was beneficially wholly-owned by Yunnan Co and therefore Yunnan Co was deemed to be interested in the Shares held by Caiyun International under the SFO.

Save as disclosed above, the Directors and the chief executive of the Company are not aware of any other person (other than the Directors or the chief executive of the Company) who/which had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO as at 30 June 2025.

SHARE OPTION SCHEME

The Company's share option scheme was adopted pursuant to a resolution passed on 1 December 2015. The total number of securities (excluding treasury shares) available for issue under the share option scheme was 200,000,000 Shares, representing approximately 9.27% of the total number of issued Shares as at the beginning and the end of the Period. During the Period, no share options were granted, exercised, cancelled or lapsed, and none were outstanding at the beginning and the end of the Period.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors, or their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company, or had exercised any such right during the Period.

CHANGES IN DIRECTOR'S INFORMATION

There was no change to the Director's information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Period.

NON-COMPETITION UNDERTAKING

In order to avoid any possible future competition between the Group and each of the controlling shareholders of the Company, namely Mr. Liu, Ms. Fu, Beijing Jiangheyuan, Jangho Co, Jangho HK and Reach Glory, each of the controlling shareholders of the Company as a covenantor (the "**Covenantor**") executed an amended and restated deed of non-competition dated 25 July 2017 in favour of the Company (for itself and as trustee for each of its subsidiaries), pursuant to which, each of the Covenantors undertakes, *inter alia*, that it/he/she will not, and will use its/his/her best endeavours to procure, its/his/her close associates (other than any member of the Group) not to, whether directly or indirectly, whether for profit or not, participate in or engage in any business which, directly or indirectly, competes or may compete with the Group's business. For details, please refer to the announcements of the Company dated 17 May 2017 and 25 July 2017 and the circular of the Company dated 30 June 2017, respectively.

SANCTIONS

During the Period, a meeting of the internal control committee of the Board was held on 19 March 2025 to review, *inter alia*, the Group's guidelines and procedures with respect to sanction law matters. The internal control committee of the Board was of the view that such guidelines and procedures, which have been complied with, were effective and well-functioned.

As at 30 June 2025, the Group has not used any funds raised through the Stock Exchange, to finance or facilitate, directly or indirectly, any activities or business in breach of the sanctions enacted, enforced or imposed by the United States government, the European Union and Australian government with respect to Russia.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Period. As at 30 June 2025, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE CODE

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures in compliance with the principles and the code provisions as set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules (the “**CG Code**”) set out from time to time.

The Company has applied the principles of and complied with the CG Code during the Period, except for the following deviation:

Code provision C.1.6 of the CG Code specifies that the independent non-executive Directors and other non-executive Directors should attend general meetings of the Company to gain and develop a balanced understanding of the views of the Shareholders. An independent non-executive Director and the non-executive Director were absent from the last annual general meeting of the Company held on 2 June 2025 due to their other business commitments.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors’ securities transactions. Specific enquiry has been made with all the Directors and all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Period. The Company has adopted the same Model Code for securities transactions by employees who are likely to be in possession of inside information of the Company. To the best knowledge of the Directors, there was no incident of non-compliance with the Model Code by the relevant employees during the Period.

REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated financial statements of the Group for the Period have been reviewed by the Company’s external auditor, BDO Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report for the Period is included in this interim report.

The audit committee of the Board has reviewed this interim report, and has also reviewed and discussed the accounting principles and policies adopted by the Group, the financial information of the Group and the unaudited consolidated interim results of the Group for the Period with the Group’s management and the external auditor.

* *The English translation of the Chinese names of the companies established in the PRC is for identification purpose only.*

Report on Review of Interim Condensed Consolidated Financial Statements



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TO THE BOARD OF DIRECTORS OF SUNDART HOLDINGS LIMITED

承達集團有限公司

(incorporated in British Virgin Islands with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 17 to 42 which comprise the condensed consolidated statement of financial position of SUNDART HOLDINGS LIMITED 承達集團有限公司 and its subsidiaries (collectively referred to as the “**Group**”) as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements, including material accounting policy information (the “**interim condensed consolidated financial statements**”). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

BDO Limited

Certified Public Accountants

Lau Kin Tat, Terry

Practising Certificate no. P07676

Hong Kong
26 August 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	3	2,282,827	2,766,110
Cost of sales		(2,017,640)	(2,381,197)
Gross profit		265,187	384,913
Other income, other gains and losses	5	17,339	(27,811)
Reversal of impairment losses under expected credit loss model, net	6	18,208	7,948
Selling expenses		(5,443)	(6,670)
Administrative expenses		(109,423)	(109,194)
Other expenses		(31,971)	(32,497)
Share of result of an associate		311	(1,233)
Share of result of a joint venture		2,713	–
Finance costs		(1,126)	(844)
Profit before tax		155,795	214,612
Income tax expense	7	(20,832)	(47,433)
Profit for the period	8	134,963	167,179
Profit attributable to:			
Owners of the Company		135,358	167,179
Non-controlling interests		(395)	–
		134,963	167,179
Other comprehensive income (expenses)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		46,512	(13,034)
Share of other comprehensive income (expense) of an associate		553	(46)
Share of other comprehensive income of a joint venture		1,803	–
Other comprehensive income (expenses) for the period		48,868	(13,080)
Total comprehensive income for the period		183,831	154,099
Total comprehensive income attributable to:			
Owners of the Company		184,226	154,099
Non-controlling interests		(395)	–
		183,831	154,099
Earnings per share			
Basic and diluted (HK cents)	10	6.27	7.75

Condensed Consolidated Statement of Financial Position

At 30 June 2025

		At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
	Notes		
Non-current assets			
Property, plant and equipment	11	418,189	240,831
Right-of-use assets		50,874	55,570
Investment properties	11	57,125	149,818
Goodwill		1,510	1,510
Interest in an associate	12	93,335	92,471
Interest in a joint venture	13	131,179	–
Financial assets at fair value through profit or loss	14	26,170	23,535
Prepayment	15	32,661	–
Deferred tax assets		29,074	35,475
		840,117	599,210
Current assets			
Inventories		37,078	30,960
Trade and other receivables and bills receivable	15	2,760,690	2,757,489
Amounts due from related companies	16	1,274	297
Amounts due from fellow subsidiaries	17	3,462	4,625
Contract assets	18	1,046,820	1,011,449
Tax recoverable		8,901	15,331
Pledged bank deposits		60,181	55,524
Bank balances and cash		1,856,691	2,640,930
		5,775,097	6,516,605
Current liabilities			
Trade and other payables	19	2,152,786	2,454,592
Bills payable	20	555,291	612,931
Amount due to a fellow subsidiary	21	4	3
Tax payable		49,854	62,306
Bank borrowings	22	23,289	10,904
Lease liabilities		12,430	11,985
Contract liabilities		329,607	216,270
		3,123,261	3,368,991
Net current assets		2,651,836	3,147,614
Total assets less current liabilities		3,491,953	3,746,824

Condensed Consolidated Statement of Financial Position

At 30 June 2025

		At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
	<i>Note</i>		
Capital and reserves			
Share capital	23	1,246,815	1,246,815
Reserves		2,230,383	2,477,799
Equity attributable to owners of the Company		3,477,198	3,724,614
Non-controlling interests		(395)	–
Total equity		3,476,803	3,724,614
Non-current liabilities			
Deferred tax liabilities		899	3,240
Lease liabilities		14,251	18,970
		15,150	22,210
		3,491,953	3,746,824

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

Attributable to owners of the Company

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Legal reserve <i>HK\$'000</i> <i>(Note a)</i>	Statutory reserve <i>HK\$'000</i> <i>(Note b)</i>	Property revaluation reserve <i>HK\$'000</i>	Shareholders' contribution reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Other reserves <i>HK\$'000</i> <i>(Note c)</i>	Accumulated profits <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 January 2024 <i>(audited)</i>	1,246,815	19,700	60	92,795	16,274	6,615	(87,455)	(277,406)	2,424,883	3,442,281	-	3,442,281
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(13,034)	-	-	(13,034)	-	(13,034)
Share of other comprehensive expense of an associate	-	-	-	-	-	-	(46)	-	-	(46)	-	(46)
Profit for the period	-	-	-	-	-	-	-	-	167,179	167,179	-	167,179
Total comprehensive income for the period	-	-	-	-	-	-	(13,080)	-	167,179	154,099	-	154,099
At 30 June 2024 <i>(unaudited)</i>	1,246,815	19,700	60	92,795	16,274	6,615	(100,535)	(277,406)	2,592,062	3,596,380	-	3,596,380
At 1 January 2025 <i>(audited)</i>	1,246,815	19,700	60	98,545	16,274	6,615	(125,922)	(277,406)	2,739,933	3,724,614	-	3,724,614
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	46,512	-	-	46,512	-	46,512
Share of other comprehensive income of an associate	-	-	-	-	-	-	553	-	-	553	-	553
Share of other comprehensive income of a joint venture	-	-	-	-	-	-	1,803	-	-	1,803	-	1,803
Profit for the period	-	-	-	-	-	-	-	-	135,358	135,358	(395)	134,963
Total comprehensive income for the period	-	-	-	-	-	-	48,868	-	135,358	184,226	(395)	183,831
Dividends paid <i>(note 9)</i>	-	-	-	-	-	-	-	-	(431,642)	(431,642)	-	(431,642)
At 30 June 2025 <i>(unaudited)</i>	1,246,815	19,700	60	98,545	16,274	6,615	(77,054)	(277,406)	2,443,649	3,477,198	(395)	3,476,803

Notes:

- (a) In accordance with the provisions of the Macau Commercial Code, the subsidiaries of SUNDART HOLDINGS LIMITED 承達集團有限公司 (the "Company") and its subsidiaries (collectively referred to as the "Group") in the Macau Special Administrative Region ("Macau") are required to transfer a minimum of 25% of their profit for the year to the legal reserve before appropriation of dividends until the legal reserve equals half of the quota capital of these subsidiaries. This reserve is not distributable to the shareholders.
- (b) As stipulated by the relevant laws and regulations in the People's Republic of China (the "PRC"), the subsidiaries established in the PRC shall set aside 10% of their net profits based on statutory accounts prepared in accordance with the relevant regulations and accounting principles generally accepted in the PRC to the statutory reserve before the distribution of the net profit each year until the balance reaches 50% of its paid-in capital. The statutory reserve can only be used upon approval by the board of directors of the relevant subsidiary to offset accumulated losses or increase capital.
- (c) Other reserves included (i) a credit amount of HK\$33,600,000 of recognition of other service costs, which represented the difference between the fair value and consideration (represented by the net assets attributable to) of the acquisition of 10.2% equity interests in the Company by a former director of the Company, and (ii) a debit amount of HK\$311,006,000, which represented the merger reserve of the acquisition of 100% equity interests in Sundart Engineering & Contracting (Beijing) Limited ("Sundart Beijing") in relation to the application of merger accounting to the acquisition of Sundart Beijing, being a business combination involving entities under common control, in prior years.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(164,009)	(235,242)
Investing activities		
Interest received	27,652	21,816
Withdrawal of other financial assets at amortised cost	–	35,309
Purchases of financial assets at fair value through profit or loss	–	(34,914)
Purchases of other financial assets at amortised cost	–	(35,309)
Purchases of property, plant and equipment	(99,383)	(3,596)
Purchases of right-of-use assets	–	(25,831)
Prepayment for property, plant and equipment	(32,661)	–
Advances to a joint venture	(126,663)	–
Withdrawal of pledged bank deposits	62,830	51,815
Placement of pledged bank deposits	(66,636)	(50,920)
Withdrawal of fixed deposits with original maturity of more than three months	342,000	646,548
Placement of fixed deposits with original maturity of more than three months	(334,882)	(294,000)
Net cash (used in) from investing activities	(227,743)	310,918
Financing activities		
Dividends paid	(431,642)	–
Proceeds from bank borrowings	33,289	42,869
Repayments of bank borrowings	(21,070)	(10,105)
Principal paid on leases liabilities	(6,132)	(7,655)
Interest paid on lease liabilities	(769)	(281)
Interest paid on bank borrowings	(387)	(612)
Net cash (used in) from financing activities	(426,711)	24,216
Net (decrease) increase in cash and cash equivalents	(818,463)	99,892
Cash and cash equivalents at the beginning of the period	1,704,891	1,178,178
Effect of foreign exchange rate changes on cash and cash equivalents	41,342	(9,809)
Cash and cash equivalents at the end of the period	927,770	1,268,261
Represented by:		
Bank balances and cash	1,856,691	1,614,261
Less: Fixed deposits with original maturity of more than three months	(928,921)	(346,000)
	927,770	1,268,261

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values.

Other than a change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

The Group has applied the following amendments to standards issued by the HKICPA to this interim financial report for the current accounting period:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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None of the application of the amendments to standards in the current accounting period has material impact on the Group’s performance and financial positions for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2025

3. REVENUE

An analysis of the Group's revenue for the period was as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Contract revenue from fitting-out works	2,233,412	2,762,909
Contract revenue from alteration and addition and construction works	4,889	3,010
Manufacturing, sourcing and distribution of interior decorative materials	44,526	191
	2,282,827	2,766,110

For the six months ended 30 June 2025

	Fitting-out works	Alteration and addition and construction works	Manufacturing, sourcing and distribution of interior decorative materials	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Geographical markets				
The Hong Kong Special Administrative Region ("Hong Kong")	804,665	4,889	–	809,554
Macau	268,724	–	–	268,724
The Republic of Singapore ("Singapore")	193,566	–	–	193,566
The PRC	966,457	–	–	966,457
The Republic of the Philippines	–	–	44,526	44,526
Total	2,233,412	4,889	44,526	2,282,827
Timing of revenue recognition				
A point in time	–	–	44,526	44,526
Over time	2,233,412	4,889	–	2,238,301
Total	2,233,412	4,889	44,526	2,282,827

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3. REVENUE *(Continued)*

For the six months ended 30 June 2024

	Fitting-out works HK\$'000 (Unaudited)	Alteration and addition and construction works HK\$'000 (Unaudited)	Manufacturing, sourcing and distribution of interior decorative materials HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Geographical markets				
Hong Kong	1,078,457	3,010	–	1,081,467
Macau	41,867	–	30	41,897
Singapore	734,305	–	–	734,305
The PRC	908,280	–	161	908,441
Total	2,762,909	3,010	191	2,766,110
Timing of revenue recognition				
A point in time	–	–	191	191
Over time	2,762,909	3,010	–	2,765,919
Total	2,762,909	3,010	191	2,766,110

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. OPERATING SEGMENTS

The Company's executive directors are the chief operating decision makers. Information reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance focuses on three principal business activities.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

- (a) Fitting-out works in Hong Kong;
- (b) Fitting-out works in Macau;
- (c) Fitting-out works in Singapore;
- (d) Fitting-out works in the PRC;
- (e) Alteration and addition and construction works in Hong Kong; and
- (f) Manufacturing, sourcing and distribution of interior decorative materials.

Information regarding the above segments was reported below:

Segment revenue and results

For the six months ended 30 June 2025

	Fitting-out works in Hong Kong HK\$'000 (Unaudited)	Fitting-out works in Macau HK\$'000 (Unaudited)	Fitting-out works in Singapore HK\$'000 (Unaudited)	Fitting-out works in the PRC HK\$'000 (Unaudited)	Alteration and addition and construction works in Hong Kong HK\$'000 (Unaudited)	Manufacturing, sourcing and distribution of interior decorative materials HK\$'000 (Unaudited)	Segment total HK\$'000 (Unaudited)	Elimination HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
Revenue									
External revenue	804,665	268,724	193,566	966,457	4,889	44,526	2,282,827	-	2,282,827
Inter-segment revenue	-	-	-	-	-	131,571	131,571	(131,571)	-
Segment revenue	804,665	268,724	193,566	966,457	4,889	176,097	2,414,398	(131,571)	2,282,827
Segment profit	57,698	22,603	684	2,753	1,547	62,766	148,051	-	148,051
Share of result of an associate									311
Share of result of a joint venture									2,713
Unallocated other income									32,975
Unallocated corporate expenses									(27,129)
Unallocated finance costs									(1,126)
Profit before tax									155,795

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. OPERATING SEGMENTS *(Continued)*

Segment revenue and results *(Continued)*

For the six months ended 30 June 2024

	Fitting-out works in Hong Kong <i>HK\$'000</i> <i>(Unaudited)</i>	Fitting-out works in Macau <i>HK\$'000</i> <i>(Unaudited)</i>	Fitting-out works in Singapore <i>HK\$'000</i> <i>(Unaudited)</i>	Fitting-out works in the PRC <i>HK\$'000</i> <i>(Unaudited)</i>	Alteration and addition and construction works in Hong Kong <i>HK\$'000</i> <i>(Unaudited)</i>	Manufacturing, sourcing and distribution of interior decorative materials <i>HK\$'000</i> <i>(Unaudited)</i>	Segment total <i>HK\$'000</i> <i>(Unaudited)</i>	Elimination <i>HK\$'000</i> <i>(Unaudited)</i>	Consolidated <i>HK\$'000</i> <i>(Unaudited)</i>
Revenue									
External revenue	1,078,457	41,867	734,305	908,280	3,010	191	2,766,110	–	2,766,110
Inter-segment revenue	–	–	–	–	–	324,423	324,423	(324,423)	–
Segment revenue	1,078,457	41,867	734,305	908,280	3,010	324,614	3,090,533	(324,423)	2,766,110
Segment profit (loss)	105,817	(2,750)	68,830	(36,881)	(5,286)	122,823	252,553	–	252,553
Share of result of an associate									(1,233)
Unallocated other income									26,598
Unallocated corporate expenses									(62,462)
Unallocated finance costs									(844)
Profit before tax									214,612

Segment profit/loss represented the profit earned by/loss from each segment, excluding income and expenses of the corporate function, which included certain other income, certain selling expenses, certain administrative expenses, certain other expenses, share of results of an associate and a joint venture and finance costs. This is the measure reported to the Company's executive directors for the purposes of resource allocation and performance assessment.

Inter-segment revenue was charged at prevailing market rates.

Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2025

4. OPERATING SEGMENTS *(Continued)*
Segment assets and liabilities

The following was an analysis of the Group's assets and liabilities by reportable and operating segments:

	At 30 June 2025 <i>HK\$'000</i> <i>(Unaudited)</i>	At 31 December 2024 <i>HK\$'000</i> <i>(Audited)</i>
Segment assets		
Fitting-out works in Hong Kong	1,078,603	1,115,422
Fitting-out works in Macau	267,774	212,991
Fitting-out works in Singapore	127,170	178,777
Fitting-out works in the PRC	2,384,299	2,198,542
Alteration and addition and construction works in Hong Kong	51,501	63,575
Manufacturing, sourcing and distribution of interior decorative materials	293,297	214,136
Total segment assets	4,202,644	3,983,443
Segment liabilities		
Fitting-out works in Hong Kong	485,195	518,835
Fitting-out works in Macau	222,391	70,312
Fitting-out works in Singapore	65,236	135,231
Fitting-out works in the PRC	1,967,031	2,264,200
Alteration and addition and construction works in Hong Kong	47,184	53,989
Manufacturing, sourcing and distribution of interior decorative materials	108,471	110,437
Total segment liabilities	2,895,508	3,153,004

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

5. OTHER INCOME, OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Other income		
Interest income	27,652	21,816
Service fee and entrustment fee income	7,033	163
Rental income	2,512	4,540
Others	1,339	763
	38,536	27,282
Other gains and losses		
Net gain (loss) from fair value changes of financial assets at fair value through profit or loss ("FVTPL")	2,587	(37,229)
Loss on disposal of property, plant and equipment	(15)	(321)
Loss from fair value changes of investment properties	(7,325)	(10,162)
Net foreign exchange losses	(16,444)	(7,381)
	(21,197)	(55,093)
	17,339	(27,811)

6. REVERSAL OF IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Impairment loss (reversed) recognised on:		
Trade and other receivables and bills receivable	(14,215)	223
Contract assets	(3,993)	(8,182)
Other financial assets at amortised cost	–	11
	(18,208)	(7,948)

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024.

Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2025

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Current tax		
Hong Kong Profits Tax	7,688	18,353
Macau Complementary Tax	8,534	10,572
Singapore Corporate Income Tax	164	12,562
PRC Enterprise Income Tax	16	227
	16,402	41,714
(Over) under provision in prior periods		
Hong Kong Profits Tax	94	(1,053)
Singapore Corporate Income Tax	–	(388)
PRC Enterprise Income Tax	(190)	8,514
	(96)	7,073
Deferred tax		
Current period	4,526	(1,354)
	20,832	47,433

Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profits for both periods.

Macau Complementary Tax was calculated at 12% of the estimated assessable profits for both periods.

Singapore Corporate Income Tax was calculated at 17% of the estimated assessable profits for both periods.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries was 25% for both periods. Certain PRC subsidiaries obtained approval from the relevant tax bureaus and are qualified as High and New Technology Enterprises which are entitled to a tax reduction from 25% to 15%.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

8. PROFIT FOR THE PERIOD

Six months ended 30 June

	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	11,801	8,131
Depreciation of right-of-use assets	6,959	7,502
	18,760	15,633
Cost of inventories recognised as expenses in respect of		
External revenue	33,203	52
Inter-segment revenue	53,536	173,461
	86,739	173,513
Write-down of inventories to net realisable value (included in cost of sales)	8	741
Contract costs recognised as expenses		
Fitting-out works (<i>note</i>)	1,981,707	2,372,565
Alteration and addition and construction works	2,722	7,839
	1,984,429	2,380,404
Research and development expenses (included in other expenses)	31,432	30,852
Staff costs		
Gross staff costs (including directors' emoluments)	247,936	239,092
Less: Staff costs included in contract costs, inventories and research and development expenses	(177,035)	(167,884)
	70,901	71,208
Gross rental income from investment properties	(2,512)	(4,540)
Less: Direct operating expenses incurred for investment properties that generated rental income during the period	304	575
	(2,208)	(3,965)

Note: Contract costs of fitting-out works recognised as expenses included cost of inventories recognised as expenses of HK\$53,536,000 (six months ended 30 June 2024: HK\$173,461,000).

Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2025

9. DIVIDENDS

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Dividends for ordinary shareholders of the Company recognised as distribution during the period:		
2024 final dividend – HK6 cents per share and 2024 special dividend – HK14 cents per share (six months ended 30 June 2024: 2023 final dividend – nil)	431,642	–

The board of directors of the Company did not recommend the payment of an interim dividend for both periods.

10. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	135,358	167,179

	Six months ended 30 June	
	2025	2024
	'000	'000
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	2,158,210	2,158,210

Diluted earnings per share are the same as the basic earnings per share as the Company had no dilutive potential ordinary shares in existence for both periods.

11. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT/INVESTMENT PROPERTIES

During the six months ended 30 June 2025, the Group acquired property, plant and equipment of HK\$99,382,000 (30 June 2024: HK\$3,596,000).

During the six months ended 30 June 2025, the Group changed the usage of certain units within its self-owned properties from investment properties to owner-occupied properties. These units were located in the same building, which was one of the Group's two commercial properties in the PRC. Accordingly, the relevant portion of the properties at their fair values of HK\$85,973,000 on the transfer date was transferred from investment properties to property, plant and equipment.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

12. INTEREST IN AN ASSOCIATE

	At 30 June 2025 <i>HK\$'000</i> (Unaudited)	At 31 December 2024 <i>HK\$'000</i> (Audited)
Unlisted shares, at cost	–	–
Deemed contribution to an associate (<i>note</i>)	56,517	56,517
Share of post-acquisition profits and other comprehensive expenses, net of dividends received	36,818	35,954
	93,335	92,471

Note: Deemed contribution to an associate represents loans advanced to the associate that are unsecured, interest-free and have no fixed repayment terms. In the opinion of the directors of the Company, such loans are in substance formed part of investment in the associate.

13. INTEREST IN A JOINT VENTURE

	At 30 June 2025 <i>HK\$'000</i> (Unaudited)	At 31 December 2024 <i>HK\$'000</i> (Audited)
Unlisted shares, at cost	–	–
Deemed contribution to a joint venture (<i>note</i>)	126,663	–
Share of post-acquisition profit and other comprehensive income	4,516	–
	131,179	–

Note: Deemed contribution to a joint venture represents loans advanced to the joint venture that are unsecured, interest-free and have no fixed repayment terms. In the opinion of the directors of the Company, such loans are in substance formed part of investment in the joint venture.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June 2025 <i>HK\$'000</i> (Unaudited)	At 31 December 2024 <i>HK\$'000</i> (Audited)
Listed equity securities	19,483	17,048
Financial products	6,687	6,487
	26,170	23,535

During the period, net gain from fair value changes of financial assets at FVTPL of HK\$2,587,000 (six months ended 30 June 2024: net loss of HK\$37,229,000) was recognised in profit or loss.

Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2025

15. TRADE AND OTHER RECEIVABLES AND BILLS RECEIVABLE

Trade and other receivables and bills receivable at the end of each reporting period comprised receivables from third parties as follows:

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Trade receivables (gross carrying amount)		
Fitting-out works	1,043,657	1,282,110
Alteration and addition and construction works	–	3,035
Manufacturing, sourcing and distribution of interior decorative materials	30,177	2,318
	1,073,834	1,287,463
Less: Allowance for credit losses	(79,194)	(84,264)
Trade receivables (net carrying amount)	994,640	1,203,199
Unbilled receivables (gross carrying amount) <i>(note)</i>	1,239,471	1,065,388
Less: Allowance for credit losses	(115,132)	(121,814)
Unbilled receivables (net carrying amount)	1,124,339	943,574
Other receivables (gross carrying amount)	156,913	139,947
Less: Allowance for credit losses	(29,221)	(29,022)
Other receivables (net carrying amount)	127,692	110,925
Bills receivable (gross carrying amount)	25,515	19,216
Less: Allowance for credit losses	(438)	(130)
Bills receivable (net carrying amount)	25,077	19,086
Prepayments and deposits	521,603	480,705
	2,793,351	2,757,489
Analysed for reporting purposes as:		
Current assets	2,760,690	2,757,489
Non-current assets	32,661	–
	2,793,351	2,757,489

Note: Unbilled receivables represented the remaining balances of contract receivables to be billed for completed portion of construction contracts according to the contract terms.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

15. TRADE AND OTHER RECEIVABLES AND BILLS RECEIVABLE *(Continued)*

Trade receivables

The Group allows a credit period of 7 to 90 days to its trade customers. The following was an ageing analysis of trade receivables, net of allowance for credit losses, presented based on invoice date at the end of each reporting period:

	At 30 June 2025 <i>HK\$'000</i> <i>(Unaudited)</i>	At 31 December 2024 <i>HK\$'000</i> <i>(Audited)</i>
1–30 days	251,746	459,021
31–60 days	101,284	134,937
61–90 days	39,093	40,181
Over 90 days	602,517	569,060
	994,640	1,203,199

Bills receivable

As at 30 June 2025, the carrying amount of bills receivable amounting to HK\$25,077,000 (31 December 2024: HK\$19,086,000) were held by the Group for settlement. All bills receivable held by the Group were with a maturity period of less than one year.

Ageing of bills receivable, net of allowance for credit losses, was as follows:

	At 30 June 2025 <i>HK\$'000</i> <i>(Unaudited)</i>	At 31 December 2024 <i>HK\$'000</i> <i>(Audited)</i>
1–30 days	2,512	16,566
31–60 days	6,369	1,106
61–90 days	312	1,344
Over 90 days	15,884	70
	25,077	19,086

Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2025

16. AMOUNTS DUE FROM RELATED COMPANIES

The amounts due from related companies, in which Mr. Liu Zaiwang, the non-executive director and a controlling shareholder of the Company, and his spouse have beneficial interest.

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Trade receivables	662	297
Other receivables	612	–
	1,274	297

Trade receivables from a related company

The Group allows a credit period of 30 days to its trade receivables due from a related company. The following was an ageing analysis of trade receivables due from a related company presented based on invoice date at the end of each reporting period:

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
1–30 days	361	–
Over 90 days	301	297
	662	297

Other receivables from related companies

As at 30 June 2025, the other receivables represented rent receivables from related companies.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

17. AMOUNTS DUE FROM FELLOW SUBSIDIARIES

The Group allows a credit period of 30 days to its trade receivables due from fellow subsidiaries. The following was an ageing analysis of trade receivables due from fellow subsidiaries presented based on invoice date at the end of each reporting period:

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
1-30 days	545	545
Over 90 days	2,917	4,080
	3,462	4,625

18. CONTRACT ASSETS

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Contract assets (gross carrying amount)		
Fitting-out works	1,044,480	1,003,530
Alteration and addition and construction works	30,877	39,841
Manufacturing, sourcing and distribution of interior decorative materials	204	433
	1,075,561	1,043,804
Less: Allowance for credit losses	(28,741)	(32,355)
Net carrying amount shown under current assets	1,046,820	1,011,449

As at 30 June 2025, contract assets included nil and HK\$722,000 (31 December 2024: HK\$355,000 and HK\$584,000) from a related company and fellow subsidiaries, respectively.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

The Group applies the simplified approach to provide the expected credit loss prescribed by HKFRS 9. An impairment loss of HK\$3,993,000 (six months ended 30 June 2024: HK\$8,182,000) was reversed during the period.

Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2025

19. TRADE AND OTHER PAYABLES

Trade and other payables at the end of the reporting period comprised amounts outstanding for trade purposes and daily operating costs. The credit period taken for trade purchase is 7 to 45 days.

	At 30 June 2025 <i>HK\$'000</i> <i>(Unaudited)</i>	At 31 December 2024 <i>HK\$'000</i> <i>(Audited)</i>
Contract creditors and suppliers	1,447,580	1,741,848
Retentions payable	449,003	446,814
	1,896,583	2,188,662
Other tax payables	153,430	128,492
Other payables and accruals	102,773	137,438
	2,152,786	2,454,592

The ageing analysis of contract creditors and suppliers was stated based on invoice date as follows:

	At 30 June 2025 <i>HK\$'000</i> <i>(Unaudited)</i>	At 31 December 2024 <i>HK\$'000</i> <i>(Audited)</i>
1–30 days	952,878	1,166,075
31–60 days	42,592	104,124
61–90 days	12,064	48,842
Over 90 days	440,046	422,807
	1,447,580	1,741,848

As at 30 June 2025, the Group's retentions payable of HK\$245,352,000 (31 December 2024: HK\$269,267,000) were expected to be paid after one year.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

20. BILLS PAYABLE

As at 30 June 2025 and 31 December 2024, certain bills payable were secured by certain pledged bank deposits and were repayable as follows:

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
1–30 days	217,814	122,154
31–60 days	25,567	110,621
61–90 days	71,008	85,768
Over 90 days	240,902	294,388
	555,291	612,931

21. AMOUNT DUE TO A FELLOW SUBSIDIARY

As at 30 June 2025 and 31 December 2024, the balance represented retentions payable to a fellow subsidiary which was expected to be paid after one year.

22. BANK BORROWINGS

	At 30 June 2025		At 31 December 2024	
	The ranges of effective interest rates (per annum) (Unaudited)	Carrying amount HK\$'000 (Unaudited)	The ranges of effective interest rates (per annum) (Audited)	Carrying amount HK\$'000 (Audited)
Secured variable-rate borrowing (note)	N/A	–	5.91%	105
Unsecured fixed-rate borrowings	2.85% to 2.90%	23,289	3.80%	10,799
		23,289		10,904

Note: As at 30 June 2025, the secured borrowing was secured by a commercial property (included in property, plant and equipment) with a carrying amount of HK\$80,722,000 (31 December 2024: HK\$82,556,000). The borrowing has been fully repaid during the six months ended 30 June 2025.

23. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Issued and fully paid ordinary shares with no par value At 1 January 2024 (audited), 30 June 2024 (unaudited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	2,158,210	1,246,815

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial instruments are measured at fair values for financial reporting purposes. The management of the Group determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Levels 1 or 2 inputs are not available, the management of the Group establishes the appropriate valuation techniques and inputs to the model. The respective management team reports the findings to the directors of the Company regularly to explain the cause of fluctuations in the fair values of the assets.

The fair values of these financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy within which the fair value measurements are categorised into Levels 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)	Fair value hierarchy
Financial assets at FVTPL			
Listed equity securities	19,483	17,048	Level 1
Financial products	6,687	6,487	Level 2
	26,170	23,535	

There were no transfers among Levels 1, 2 and 3 during both periods. The Group will recognise transfers among levels of fair value hierarchy as at the end of the reporting period in which they occur.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

The fair values of listed equity securities are determined with reference to quoted market bid prices from relevant stock exchanges.

As at 30 June 2025 and 31 December 2024, the fair values of financial products are determined with reference to the fair values of the underlying assets and liabilities of financial products.

Reconciliation of Level 3 fair value measurements of financial assets

	Unlisted equity fund HK\$'000
At 1 January 2024 <i>(audited)</i>	59,000
Loss from fair value changes recognised in profit or loss	(39,000)
At 30 June 2024 <i>(unaudited)</i>	20,000
At 1 January 2025 <i>(audited)</i> and 30 June 2025 <i>(unaudited)</i>	–

Of the loss for the six months ended 30 June 2024 included in profit or loss, HK\$39,000,000 relating to financial assets of the unlisted equity fund that are measured at fair value at the end of the reporting period. Such fair value loss is included in other gains and losses.

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

Except as detailed in above, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

25. PERFORMANCE BONDS, ADVANCE PAYMENT BONDS AND TENDER BONDS

As at 30 June 2025, the Group has issued performance bonds, advance payment bonds and tender bonds in respect of certain supply and installation contracts through the banks and insurance companies amounting to HK\$1,057,469,000 (31 December 2024: HK\$1,015,591,000).

As at 30 June 2025 and 31 December 2024, certain performance bonds and a tender bond were secured by certain pledged bank deposits, while a performance bond and an advance payment bond were guaranteed by a fellow subsidiary. The Group did not pay any charges for the guarantee granted.

Notes to the Condensed Consolidated Financial Statements

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26. RELATED PARTY TRANSACTIONS

Apart from amounts due from related companies, amounts due from fellow subsidiaries, contract assets from a related company and fellow subsidiaries, amount due to a fellow subsidiary and bonds guaranteed by a fellow subsidiary as set out in notes 16, 17, 18, 21 and 25, respectively, the Group has following transactions with its related parties:

Relationships	Nature of transactions	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Related companies	Rental income	556	914
	Construction management fee expenses capitalised into property, plant and equipment	2,849	482
	Property management fee expenses	72	–
	Purchase of marble materials	8	–
Ultimate holding company	Entrustment fee income	155	76
Fellow subsidiaries	Revenue from fitting-out works	–	5,000
	Revenue from distribution of interior decorative materials	–	30
	Rental income	1,735	3,400
	Entrustment fee income	–	87
	Specialised works subcontracting costs	33	686
	Purchase of office equipment	–	76

In addition,

- (a) as at 30 June 2025, the ultimate holding company had outstanding performance bonds and an advance payment bond amounting to HK\$34,046,000 (31 December 2024: HK\$145,983,000) issued in favour of customers of the Group through banks.
- (b) as at 30 June 2025 and 31 December 2024, the banking facilities of Sundart Beijing and its subsidiary were guaranteed by the ultimate holding company. Both Sundart Beijing and its subsidiary did not pay any charges for the guarantee granted.

Note: All related party transactions were recorded by the Company's subsidiaries, except that entrustment fee income was recorded by the Company.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

26. RELATED PARTY TRANSACTIONS *(Continued)*

Compensation of key management personnel

The remuneration of key management personnel of the Group during the period was as follows:

	Six months ended 30 June	
	2025 HK\$'000 <i>(Unaudited)</i>	2024 <i>HK\$'000</i> <i>(Unaudited)</i>
Salaries and short-term benefits	29,399	28,527
Post-employment benefits	179	224
	29,578	28,751

The remuneration of key management personnel was determined by the directors of the Company having regard to the performance of individuals and the Group.