



思城控股有限公司
C CHENG HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
Stock code: 1486

2025

ANNUAL REPORT







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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Liang Ronald (Chairman)
Mr. Liu Jiang Tao (Co-chairman)
Mr. Fu Chin Shing (Chief Executive Officer)
Mr. Wang Jun You
Mr. Deng Li Ming
Mr. Lei Zhi Jun

Non-Executive Director

Mr. Wong Hin Wing
(redesignated from Independent Non-Executive Director
on 29 July 2025 and resigned on 28 October 2025)

Independent Non-Executive Directors

Mr. Chan James
Ms. Su Ling
Mr. Wan Sze Chung
(appointed on 28 October 2025)

AUDIT COMMITTEE

Mr. Wan Sze Chung (Chairman of Committee)
(appointed on 28 October 2025)
Mr. Chan James
Ms. Su Ling
Mr. Wong Hin Wing
(resigned on 28 October 2025)

REMUNERATION COMMITTEE

Mr. Chan James (Chairman of Committee)
Mr. Wan Sze Chung
(appointed on 28 October 2025)
Mr. Fu Chin Shing
Mr. Wong Hin Wing
(resigned on 28 October 2025)

NOMINATION COMMITTEE

Mr. Liang Ronald (Chairman of Committee)
Mr. Lei Zhi Jun
Mr. Chan James
Ms. Su Ling
Mr. Wan Sze Chung
(appointed on 28 October 2025)
Mr. Wong Hin Wing
(resigned on 28 October 2025)

INVESTMENT COMMITTEE

Mr. Liu Jiang Tao (Chairman of Committee)
Mr. Liang Ronald
Mr. Fu Chin Shing
Mr. Wang Jun You
Mr. Lei Zhi Jun

AUTHORISED REPRESENTATIVES

Mr. Fu Chin Shing
Ms. Yu Wing Sze

COMPLIANCE OFFICER

Mr. Fu Chin Shing

COMPANY SECRETARY

Ms. Yu Wing Sze

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

15/F
North Tower World Finance Centre
Harbour City
Tsim Sha Tsui
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

Suites 3301-04
33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

HONG KONG LEGAL ADVISER

David Fong & Co., Solicitors

Unit A
12/F
China Overseas Building
139 Hennessy Road
Wanchai
Hong Kong

PRINCIPAL BANKERS

Hongkong and Shanghai Banking Corporation Limited

HSBC Main Building
1 Queen's Road
Central
Hong Kong

Standard Chartered Bank (Hong Kong) Limited

Standard Chartered Bank Building
4-4A Des Voeux Road
Central
Hong Kong

China Merchants Bank Co., Ltd.

Changxing Branch
Ground Floor
Changxing Times Square
No. 88 Taoyuan Road
Nanshan District
Shenzhen
PRC

AUDITOR

ZHONGHUI ANDA CPA Limited

Certified Public Accountant
Registered Public Interest Entity Auditor
23/F, Tower 2
Enterprise Square Five
38 Wang Chiu Road
Kowloon Bay, Kowloon
Hong Kong

STOCK CODE

1486

CORPORATE WEBSITE

www.cchengholdings.com

This Annual Report has been issued in the English language with a separate Chinese language translation. If there is any conflict in the Annual Report between the meaning of Chinese wordings or terms in the Chinese language version and English wordings in the English language version, the meaning of the English wordings shall prevail.



CHAIRMAN'S STATEMENT



CHAIRMAN'S STATEMENT

Dear Shareholders,

As we reflect upon the year 2025, the global economic tapestry continues to unfold against a backdrop of nuanced complexity. Yet, this environment is also marked by resilient growth in key emerging markets, buoyed by strategic diversification initiatives and large-scale development agendas that underscore the indomitable spirit of progress. Against this backdrop, we are pleased to report that our company remains steadfastly committed to creating a superior architectural environment.

On behalf of the board ("Board") of directors ("Director(s)") of C Cheng Holdings Limited (the "Company"), I am pleased to present the annual report, together with the subsidiaries (collectively, the "Group") for the year ended on 31 December 2025.

OVERVIEW

The global economic environment in 2025 continued to evolve amongst different regions. Despite prevailing challenges, growth remained resilient in key emerging markets, supported by ongoing diversification and large-scale development initiatives. Within this context, our major subsidiary, LWK + PARTNERS, has been at the forefront of transformation, contributing to a range of sectors including master planning, mixed-use developments, residential, hospitality, technology, commercial, and cultural projects, which demonstrates our capability and capacity to deliver design solutions that are both innovative and aligned with long-term sustainability objectives.

Our commitment to the Chinese Mainland market remains strong. Throughout 2025, the economy navigated a carefully orchestrated soft landing, deepening our understanding that stability and sustainable development form the cornerstone of our corporate existence. In response, we acted decisively to recalibrate our marketing strategies and diversify our project portfolio in alignment with national policy directives. These adjustments have positioned us on a path of gradual yet increasingly resilient recovery.

While acknowledging that structural adjustments remain underway, we firmly believe that continued policy support will provide a solid platform for market stabilisation. While recovery momentum varies across different development companies, those possessing core competitiveness above the present challenging environment will undoubtedly be the first to rise. Looking ahead to 2026, we shall be in a better position to gauge market dynamics and flexibly adjust our strategies to navigate anticipated volatility and sustain long-term growth trajectory.

In Hong Kong, too, we navigate through a landscape of challenges and opportunities. Elevated interest rates weighed on development feasibility, and the residential sector has maintained a posture of prudent caution. Nevertheless, this transition also created new opportunities for adaptive reuse, innovative design approaches, and the development of next-generation commercial environments.

With the relentless advancement of technology and industry, the demand for multidisciplinary professional talent has never been more urgent. Beyond architectural and design capabilities, expertise in digital design, smart-building systems, sustainable retrofits, and forward-looking urban planning has become increasingly essential. In response, we have intensified our focus on talent development and upskilling to ensure our teams are equipped to deliver high-value, future-ready solutions that support our long-term growth.

As we reflect on 2025, the real estate and development sectors in the United Arab Emirates ("UAE"), the Kingdom of Saudi Arabia ("KSA"), and the broader Gulf Cooperation Council ("GCC") and Middle East and North Africa ("MENA") regions have continued to demonstrate resilience, adaptability and long-term strategic relevance. Against a backdrop of global economic uncertainty and heightened geopolitical sensitivity, the region's fundamental growth drivers remain firmly in place, supported by ambitious national agendas, led by Saudi Arabia's Vision 2030, and by a sustained commitment to diversification, investment and high-quality development. While performance continues to vary across geographies and asset classes, the overall direction of the sector remains positive, with a solid pipeline of opportunities expected to carry forward into 2026.

Our commitment to the Middle East is further underscored by our deepening engagement across the region. In September 2025, we were proud to establish a strategic partnership to expand and develop the LWK + Partners business in Saudi Arabia. This collaboration reflects our confidence in the Kingdom's long-term trajectory and enables us to work alongside leading industry partners, exchange expertise, and contribute meaningfully to the next phase of sustainable urban development. In an environment where agility, trusted relationships and local understanding matter more than ever, we believe this partnership will provide a strong platform for continued growth and continuity for the Group in the year ahead.

In response to these market dynamics, we are strategically positioning our Hong Kong, Manila and Chinese Mainland offices to support MENA projects more effectively and with greater flexibility. This approach allows us to draw on the full strength of our international platform while remaining responsive to the specific cultural, environmental and commercial requirements of the region. It also strengthens our ability to deliver comprehensive, end-to-end services for Hong Kong and Chinese investors seeking to participate in the Gulf's next wave of opportunities, while ensuring continuity of delivery and confidence in a market that continues to evolve with pace and ambition.

FINANCIAL INVESTMENT

Our Group has always maintained a keen eye on emerging investment opportunities. We are fortunate to be actively participating in the transformation of the digital build industry. We believe, as a Group, that technology represents the path forward to render our operations more efficient, effective, and enhanced profitability. Furthermore, we recognise the imperative to diversify into technology, knowing full well that it will provide a substantially higher and more robust income stream as compared to our traditional business.

We are pleased to report that our investment in isBIM Limited ("isBIM"), which stands at the vanguard of delivering cutting-edge digital solutions for the built environment, has been performing outstandingly well. isBIM plays a critical role in strengthening our Group's technological capabilities and competitive edge in a rapidly evolving industry. Not only has it achieved continuous revenue growth annually, but it has also developed an all-in-one project management platform for construction and integrated comprehensive digital-built applications and Artificial Intelligence ("AI"). This paradigm shift is fundamentally reshaping how projects are conceived, designed and executed.

We would also wish to announce that the PRC property development, C Cheng Future City, has been successfully completed in 2025. In light of this milestone and in accordance with standard accounting practices, we have formally entered into the requisite Property Use Agreement. This agreement signifies the commencement of our right to utilise the property, thereby triggering the recognition of a right-of-use asset. Consequently, we anticipate an increment in the annual depreciation charge associated with this asset under the exercise of the Right of Use.

CHAIRMAN'S STATEMENT (Continued)

DESIGN AWARDS

Once again, we are proud to report that in 2025, the Group has received numerous international awards and domestic accolades for projects around the globe. Our work across diverse cultural and social contexts reflects our adaptability, professionalism, and unwavering dedication to excellence. We maintain our esteemed position among the world's top 100 architecture firms, securing the 37th position in the World Architecture 100 rankings announced in January 2026.

These honours serve as a testament to the perseverance, dedication, and diligent efforts of our teams across all regions. Despite the demanding year of 2025, our people remained faithful to our core values and continued delivering exceptional results. The pragmatic approach and seamless collaboration with clients at all levels form the cornerstone of our Group's principles and culture.

PROSPECTS

While 2025 presented considerable challenges for the Company, this downturn has allowed the Group to evaluate, assess, and make necessary adjustments to strengthen our ability to stay in the business and move the needle in the right direction.

From a technology perspective, we remain committed to actively seeking out new opportunities that enhance our capabilities and drive innovation. Our focus will be on expanding the technological developments within the Group, particularly through the strategic application of AI tools. By integrating AI into our operations, we aim to improve efficiency, streamline processes, and deliver better outcomes for our clients and stakeholders. We recognise the transformative power of technology and are actively committed to the Research & Development ("R&D") and investigation of viable software. This initiative will not only enhance our current offerings but also position us at the forefront of industry advancements. Through collaboration and forward-thinking strategies, we are excited to pave the way for a future driven by innovation and technological excellence.

Last but not least, we will continue to assess viable projects of value and projects with growth potential to supplement our existing business. Through disciplined strategic investment and our ongoing commitment to design excellence, we are poised to support and contribute to the dynamic growth and development in the years to come.

ACKNOWLEDGEMENT

On behalf of the Board, I extend our sincere appreciation to our esteemed clients, valued partners, and most importantly our dedicated colleagues. Their unwavering commitment, determination, and hard work have been instrumental in upholding our promise to deliver excellence in all that we do. With this shared spirit and collective strength, I am confident that we will continue to advance together, creating new opportunities, pioneering innovative projects, expanding our business horizons, and opening new pathways for the Group's future growth.

Mr. Liang Ronald

Chairman

Hong Kong, 26 March 2026



MANAGEMENT DISCUSSION AND ANALYSIS





MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL INDUSTRY REVIEW

The global architecture and engineering industry in 2025 was characterised by pronounced regional divergence, driven by varying stages of economic cycles, government policy shifts, and evolving urbanisation priorities. For firms with a multi-regional footprint spanning Hong Kong, Chinese Mainland, and the Middle East and North Africa (“MENA”), the year presented a complex tapestry of contraction, stabilisation, and growth.

Chinese Mainland: A Structural Pivot from “Volume” to “Quality”

The PRC architecture sector underwent a profound structural transformation in 2025, moving away from the decades-long model of high-volume, rapid-turnover residential development. The industry faced a continued decline in new property starts, particularly in the traditional residential and large-scale mixed-use segments. This was driven by the ongoing digestion of housing inventory, cautious land acquisition by developers, and a broader macroeconomic shift away from real estate as the primary engine of GDP growth. Government policy and market demand aggressively pivoted towards “high-quality development.”

Hong Kong: A Year of Contraction and Consolidation

In Hong Kong, the real estate market continued to face a challenging environment. The convergence of high interest rates, subdued property sentiment, and a slowdown in both private and public project pipelines created severe pressure on industry margins. This downturn triggered a wave of industry consolidation.

MENA Region: The New Engine of Global Growth

The MENA region emerged one of the most dynamic growth engines for the global architecture industry in 2025. Driven by ambitious national vision plans, including Saudi Vision 2030 and corresponding initiatives across the Gulf, the region continued to generate strong demand for large-scale infrastructure, tourism destinations, mixed-use developments and next-generation urban environments. At the same time, the market began to mature, with greater emphasis on delivery prioritisation, phasing discipline and investment efficiency, particularly in Saudi Arabia, where certain programmes were recalibrated in 2025 to support long-term value creation and sustainable implementation. Even with these readjustments, the region continues to represent a compelling and strategically important source of opportunity for internationally capable design practices.



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Successful firms in this environment were those that could act with agility across contrasting market conditions – pivoting service offerings in slower markets, redeploying expertise efficiently, and scaling in high-growth regions such as MENA with discipline and speed. Increasingly, success depends not only on size, but on responsiveness: the ability to recalibrate resources, adapt delivery models, form the right local partnerships, and respond constructively to shifting policy, procurement and investor priorities. As the industry moves forward, this combination of agility, regional adaptability and operational resilience will remain a defining factor in sustaining growth and capturing value across divergent cycles.

Despite the challenges associated with the industry downturn, our Group is committed to identifying and capitalising on transformative opportunities that align with future business models while exploring potential investment avenues. This proactive strategy is designed to enhance our resilience and growth in response to evolving market conditions, leveraging strategic transformations to unlock new value and capitalise on emerging trends.

BUSINESS REVIEW

Despite the challenges associated with the industry downturn, our Group is committed to identifying and capitalising on transformative opportunities that align with future business models while exploring potential investment avenues. This proactive strategy is designed to enhance our resilience and growth in response to evolving market conditions, leveraging strategic transformations to unlock new value and capitalise on emerging trends.

In 2018, we embarked on an expansion strategy into the MENA region, driven by our ambition to capture emerging opportunities in the architectural sector and to diversify our revenue streams. That decision continues to create strategic value today. As the regional market broadens beyond public sector-led mega projects into a wider range of private sector, mixed-use, hospitality and lifestyle opportunities, our growing local establishment provides an important platform for delivery, relationship-building and market access. It also helps facilitate the transition and integration of our Hong Kong and Chinese Mainland teams into the Middle East, allowing us to deploy proven expertise from our existing portfolio while adapting it to local expectations, regulatory frameworks and client needs. Supported by broader partnerships and an increasingly adaptive business model, we remain optimistic about the year ahead and well positioned to participate in the region's next phase of growth despite the current volatility in the Gulf.

During the year, despite the comprehensive architectural business secured new contracts and supplementary contracts totalling approximately HK\$382,806,000, as compared with HK\$328,379,000 in 2024, representing an increase of approximately 16.6%. As at 31 December 2025, the Group's segment had remaining contract sums of approximately HK\$881,907,000, decreased by 26.5% as compared with HK\$1,199,382,000 in 2024.



FINANCIAL OVERVIEW

Revenue

For the year ended 31 December 2025, the Group recorded total revenue of HK\$364,533,000, representing a decrease of 9.2% compared to HK\$401,303,000 in 2024. This contraction was primarily driven by significant headwinds in the Chinese Mainland market, which were partially offset by robust growth in our MENA operations and stable performance in Hong Kong.

Geographical Breakdown and Variance Analysis

Chinese Mainland: Revenue from the Chinese Mainland segment decreased by HK\$59,991,000 (or 35.1%). This decline reflects the continued structural adjustment within the PRC real estate sector. Throughout 2025, the industry witnessed a sustained contraction in new property starts, particularly in traditional residential and large-scale mixed-use developments. Concurrently, market demand has pivoted towards urban renewal, old community renovation, and cultural/tourism projects. While the Group is actively expanding its capabilities in these emerging service lines, the transition period has created a temporary revenue gap where the decline in traditional design commissions has outpaced the recognition of revenue from new sectors.

Hong Kong: The Hong Kong market demonstrated remarkable resilience, with revenue decreasing only marginally by HK\$645,000 (or 0.5%). This stability underscores the Group's strong market position and diversified client base in the region, effectively insulating us from the volatility seen in other markets.

MENA Region: In stark contrast to the domestic slowdown, our MENA operations delivered exceptional growth, surging by HK\$27,818,000 (or 43.0%). This significant increase validates our early strategic entry into the region. The strong performance in MENA has become a critical growth engine, effectively diversifying our geographic risk profile.

While the 9.2% overall revenue decrease presents a short-term challenge, it is largely a consequence of necessary strategic realignment and macro-industry cycles. The Group is accelerating its transformation in Chinese Mainland to align with the national focus on high-quality development, urban regeneration, and cultural tourism. We are confident that as these new service lines mature and gain traction, they will help bridge the current revenue gap. Coupled with our continued expansion in the high-growth MENA market and the steady foundation in Hong Kong, the Group is well positioned to maintain continuity of business and pursue sustainable, diversified growth in the coming year. While the current situation in the Gulf warrants close attention, we continue to view the region with confidence, supported by strong long-term fundamentals, deepening client relationships and an active pipeline of opportunity across Saudi Arabia, the UAE and the wider Gulf Cooperation Council ("GCC").



Cost of services

Cost of services for the year amounted to HK\$304,891,000, when compared with that of HK\$339,060,000 in 2024, representing a decrease of 10.1%. Such decrease was mainly attributable to reduced operational costs resulting from ongoing optimisations in professional staff headcount and the implementation of stringent cost control measures in response to the slowdown of the property market.

Gross profit and gross profit margin

Gross profit for the year amounted to HK\$59,642,000, decreased by 4.2% when compared with that of HK\$62,243,000 in 2024. Notwithstanding the decrease in gross profit, the gross profit margin improved from 15.5% in 2024 to 16.4% in 2025.

Other income and gains, net

Other income and gains, net for the year amounting to HK\$58,461,000 compared with that of HK\$2,747,000 in 2024. Other income in 2025 was mainly the recognition in respect of the exercise of the right-of-use asset of an entire office floor in the building named as C Cheng Future City Business Headquarter, located in Guangzhou, the PRC, amounting to HK\$54,819,000. Depreciation charge for the year on that right-of-use asset was HK\$897,000 in 2025.

Administrative expenses

Administrative expenses for the year amounted to HK\$65,955,000, comparing with the corresponding period of HK\$74,971,000, representing a decrease of 12.0%. The decrease was mainly due to the reduction in staff costs and headcount for the management and administrative support during the year.

Profit/(loss) for the year

Profit for the year in 2025 was HK\$27,131,000, compared with the loss for the year of HK\$14,419,000 in 2024, representing a significant increase of 288.2%. This was mainly contributed by the recognition of the right-of-use asset of HK\$53,922,000 (after depreciation), net-off with the impairment recognised on trade receivables and contract assets of HK\$29,111,000.

Profit for the year attributable to owners of the Company in 2025 was HK\$26,427,000 compared with the loss for the year attributable to owners of the Company of HK\$14,851,000 in 2024.



LIQUIDITY AND FINANCIAL RESOURCES

	As at 31 December 2025 HK\$'000	2024 HK\$'000
Current assets	460,783	468,435
Current liabilities	218,737	214,987
Current ratio	2.11	2.18

The current ratio of the Group as at 31 December 2025 was 2.11 times as compared to that of 2.18 times as at 31 December 2024. The decrease in current ratio was mainly resulted from the decrease in net contract assets after impairment recognised on trade receivables and contract assets in 2025.

As at 31 December 2025, the Group had total bank balances and cash of HK\$113,649,000 (2024: HK\$74,603,000) and restricted bank balance of HK\$1,728,000 (2024: 4,492,000). The unutilised banking facility amount was HK\$10,000,000 (2024: HK\$5,000,000) as at 31 December 2025.

As at 31 December 2025, the gearing ratio of the Group was 18.0% (represented by unsecured bank borrowings and other interest-bearing borrowings divided by total equity) (as at 31 December 2024: 21.8%). The borrowings of the Group have not been hedged by any interest rate financial instruments.

To ensure sufficient capital for ongoing and future business development activities, the Group is actively managing its financial resources and seeking additional funding avenues. During the year, the Company completed a rights issue on 20 June 2025 with the net proceeds of approximately HK\$13,776,000. The Group will cautiously seek out for business and investment opportunities with a view to balancing risk and maximising shareholders' value.



OUTLOOK

Despite the ongoing market recalibration and structural adjustments within Chinese Mainland's property development sector, global economic recovery and expanding trade and cultural exchanges present new investment opportunities. Hong Kong's projected moderate economic recovery offers renewed market potential. The Group is strategically positioned to capitalise on these dynamics through focused investment in green and smart building developments, expanding our market presence across key regions including Chinese Mainland, Hong Kong, and the dynamic MENA region.

In the Middle East, the property development market is expected to remain a strategically important source of growth, underpinned by long-term national transformation agendas, ongoing urban investment and the region's continuing appeal to international capital and talent. In Saudi Arabia, Vision 2030 continues to drive significant development activity, even as certain programmes are being phased and recalibrated to support more sustainable delivery and stronger long-term outcomes. This evolution reinforces, rather than diminishes, the scale of opportunity for experienced partners able to support the Kingdom's ambitions. Across the United Arab Emirates, and particularly in Dubai, market activity is also expected to remain robust, supported by the emirate's position as a global business hub, a preferred destination for investment and a centre for high-value real estate demand. In this context, the Group remains firmly committed to continuity of business and to supporting clients across Saudi Arabia, Dubai and the wider GCC with consistency, confidence and a long-term view of the market.

The global shift towards smart city and sustainable development initiatives offers a significant opportunity for long-term value creation. These projects focus on environmentally sound and technologically advanced urban environments, reflecting our commitment to enhancing quality of life and achieving sustainable returns. The Group is dedicated to advancing digital transformation, integrating sustainability into our core principles, and improving living conditions through strategic practices.

To mitigate operational risks across our diverse regional portfolio, we have implemented strong internal communication channels and compliance frameworks aligned with local regulations. We acknowledge potential challenges such as the impact of elevated global interest rates on Hong Kong's property market and the complexities of Chinese Mainland's property sector transformation. To proactively manage these risks, we are investing in advanced project management tools, enhancing employee training, and strengthening local partnerships. Through these initiatives, the Group aims to maintain consistent financial performance and drive sustainable value creation in the industry.

In light of present market challenges and opportunities, the Group is resolute in its commitment to advancing global sustainability through innovative project design and strategic investments in forward-looking developments that create long-term value for our shareholders.



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

USE OF PROCEEDS

On 20 June 2025, the Company completed a rights issue (the "Rights Issue") on the basis of one (1) rights share for every two (2) shares held on the record date at the subscription price of HK\$0.10 per rights share and issued 144,130,390 ordinary shares of the Company. All the unsubscribed rights shares were subject to placing (the "Compensatory Arrangements") by BMI Securities Limited as placing agent (the "Placing Agent"), and were successfully and fully placed by the Placing Agent at the price of HK\$0.10 per share. The closing price on 29 April 2025, being the date on which the terms of Rights Issue were fixed, was HK\$0.305 per share. Details of the Rights Issue and the Compensatory Arrangements are set out in the announcements of the Company dated 29 April 2025, 6 June 2025 and 19 June 2025, and the prospectus of the Company dated 21 May 2025.

The gross proceeds raised from the Rights Issue (including the Compensatory Arrangements) were approximately HK\$14,413,000 and the net proceeds (after deducting all relevant expenses) from the Rights Issue were approximately HK\$13,776,000. As at 31 December 2025, the Group has utilised the net proceeds as follows:

Use of net proceeds	Intended use of net proceeds as stated in the prospectus dated 21 May 2025 HK\$ million	Actual use of net proceeds up to 31 December 2025 HK\$ million	Unutilised net proceeds up to 31 December 2025 HK\$ million	Expected timeline for the intended use (Note)
To further develop and strengthen the Group's existing business in MENA region	4,088	(1,641)	2,447	On or before December 2026
To enhance the Group's information technology infrastructure through the development of digital platform with artificial intelligence technology	4,088	(297)	3,791	On or before December 2026
General working capital of the Group	5,600	(5,600)	–	On or before December 2026
	13,776	(7,538)	6,238	

Note: It is expected that the unutilised Net Proceeds to be fully utilised by the end of 2026 but is subject to change depending on the market conditions and developments at the relevant times.

CAPITAL STRUCTURE

Save as disclosed in the section headed "Use of Proceeds" above, there has been no change in the capital structure of the Group during the year ended 31 December 2025. The capital of the Group only comprises of ordinary shares.

FOREIGN EXCHANGE EXPOSURE

Most of the business transactions, assets and liabilities of the Group are principally denominated in Hong Kong dollars, United States dollars and Renminbi. As at 31 December 2025, the Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

SIGNIFICANT INVESTMENT

As at 31 December 2025, the Group had interest in associate of isBIM Limited ("isBIM"), of approximately HK\$85,303,000. The Board considers that investments with carrying amount accounting for more than 5% of the Group's total assets as 31 December 2025 as significant investments.

Details of the investment as at 31 December 2025, are as follows:

Company name	As at 31 December 2025				Proportion to the total assets of the Group	For the year ended 31 December 2025	
	Issued/ registered share capital HK\$	Ownership Interest	Investment cost HK\$'000	Carrying amount HK\$'000		Share of profits of associate HK\$'000	Dividends received HK\$'000
isBIM	27,065,200	35.0%	34,300	85,303	12.6%	10,600	–

isBIM is involved in the provision of building information modelling services, software development services, sales of IT products, and provision of training and other services.

Investing in associate of isBIM is a strategic choice designed to foster enduring partnerships that promote mutual growth. Our intention is to maintain this investment for the long term, with the goal of generating sustainable value over time.

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group, some of which are inherent to the business and some are from the industry. Major risks are summarised below.

Risks Relating to the Industry

Our business is subject to a number of licences, permits and qualifications

Our Group and our staff must hold the relevant licences and permits to operate our business. Non-compliance with the relevant regulatory requirements may result in refusal by relevant authorities to renew the relevant licences and permits which would interrupt our business and have a material adverse effect on our operations or financial positions. The Grade A Qualification in Chinese Mainland has been renewed on December 2023 for 5 years. We will continue to monitor relevant licences and permits renewal to ensure compliance with all relevant regulatory requirements.

We face intense competition

There are numerous architectural service companies duly registered in the Hong Kong Institute of Architects and Chinese Mainland. The market is highly competitive with the presence of both local and international service providers. As such, we have to compete with other service providers in terms of price

and delivery on an international level. The rapid expansion of architectural service providers will intensify competition in the market which may induce price competition, especially under existing economic environment. We have assembled an array of design capabilities to make available our cross-disciplinary services. Also, we have expanded our business coverage to Southeast Asia and Middle East, so that our business portfolio and market penetration are diversified. Strategically, we are able to fully integrate technology into design solutions, which fortifies our leading position in the industry.

Risks Relating to the Business

We rely heavily on our professional staff

Our Group relies heavily on our professional staff, including our Hong Kong registered architects, Chinese Mainland registered architects, authorised persons, registered town planners and registered landscape architects to render comprehensive architectural service to our clients. The loss of service of these professional staff and failure to find suitable replacements could adversely and significantly affect our operations and financial positions. We see professional talents as our greatest asset, hence we have formed our staff retention strategy that includes a series of training and development programmes throughout the year to equip our staff with latest industry knowledge and insights. We would also arrange sports and leisure events to help create a work-life balance for our professionals.



Negative publicity or damage to our business reputation may have potential adverse impact on our business

As a professional service provider, our Group's ability to secure new projects depends heavily upon our reputation and the reputation of our team as we generally obtain our business by invited tendering. Negative publicity associated with our Group or our team could result in the loss of clients or lead to increased difficulty to be awarded new projects in the tendering process. Our senior management participate in project roadshows and industry regularly, to strengthen our positive corporate image and reputation; and at the same time, analyse feedback from our stakeholders timely. Moreover, we monitor our media publicity on a daily basis.

Our Group is subject to potential exposure to professional liabilities

Our Group is principally engaged in the provision of comprehensive architectural service to our clients. In the event that our clients may suffer a loss due to the negligence of our Group in providing such service, they may request for compensation from our Group. In spite of the quality control measures adopted by the Group, there is no assurance that these measures can completely eliminate the professional negligence or any event of professional negligence, misconduct or fraudulent act. Our Group is covered by professional indemnity insurance. We however may experience an adverse impact on our Group's financial position in the event that the claim from our clients exceeds the coverage or the scope of the insurance does not cover such claims. We have set out a quality control mechanism to effectively shield our Group from any professional negligence. No claims related to professional liabilities have been received in previous years.



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

We may be exposed to risks of potential computer system failure and disruptions

Our work is substantially carried out with the use of computers and other information technology solutions. Our strategy has always been to empower staff by providing them the right information at the right time and right place. Hence, we have been investing into IT solutions and infrastructures that help them to work efficiently no matter they are at office or not.

On the other hand, the digital world creates many risks for a business including technology failures, loss of confidential data and damage to brand reputation. We seek to assess and manage the effectiveness of our security infrastructure and our ability to effectively defend against current and future cyber risks by using appropriate tools and experienced professionals to evaluate and mitigate potential impacts. We are focused on the need to maximise the effectiveness and security of our information systems and technology and to reduce both cost and exposure as a result.

Risks and Opportunities

As developers and clients increasingly pursue green initiatives – such as BEAM Plus accreditation and carbon-neutral project objectives – the Group faces both strategic risks and notable opportunities. A key risk involves the need to remain current with rapidly evolving sustainability standards, advanced construction technologies, and innovative design methodologies. Failure to keep pace may affect the Group's competitiveness in securing environmentally focused projects. To mitigate this, the Group commits to continuously updating staff on new technologies and design practices, supported by structured training and learning programmes.

At the same time, this market shift presents significant opportunities for the Group to strengthen its position in sustainable design and project delivery. By leveraging internal expertise and external resources, the Group promotes self-directed development among staff and encourages the pursuit of green-related professional qualifications through incentives such as course fee sponsorship and salary review upon accreditation. Furthermore, to enhance project efficiency and meet clients' increasing expectations for sustainable, data-driven solutions, the Group will continue to deploy and expand the use of Building Information Modelling (BIM) technology. The integration of BIM supports improved design accuracy, resource optimisation, and carbon-conscious decision-making, enabling the Group to deliver projects that align with leading green standards while reinforcing long-term competitiveness.



FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

During the year ended 31 December 2025, the Group had no future plan for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS

During the year ended 31 December 2025, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

DIVIDEND

The Directors did not recommend the payment of any final dividend for the year ended 31 December 2025 (2024: Nil) in order to reserve the resources for the business development of the Group.

PLEDGE OF ASSETS

As at 31 December 2025, bank deposits of HK\$20,114,000 were pledged as collateral to secure banking facilities granted to its subsidiary (2024: Nil).

CONTINGENT LIABILITIES

As at 31 December 2025, the Group provided guarantees amounting to HK\$10,931,000 (2024: HK\$5,939,000) to secure services performance bonds issued by a bank on behalf of a performance obligation on certain projects of a subsidiary.

COMMITMENTS

As at 31 December 2025, the Group had no capital commitments in respect of its investment in a joint venture and an associate (2024: Nil), which has been contracted but not provided for in the consolidated financial statements.

EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure in this announcement that has taken place subsequent to 31 December 2025 and up to the date of this report.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group employed around 500 (2024: around 615) full-time employees. During the year, staff costs decreased by approximately 17.4% to approximately HK\$229,680,000 (2024: approximately HK\$278,110,000). Such decrease was mainly due to the Group's continuous effort in cost control by optimising the effectiveness of staff remuneration plan and reducing number of headcounts.

Employees are remunerated according to nature of the job, market trend and individual performance. Employee bonus is distributable based on the performance of the respective subsidiaries and the employees concerned.

The Group offers competitive remuneration and benefit package to our employees. Our employee benefits include the Mandatory Provident Fund Scheme in Hong Kong, employee pension schemes in the Chinese Mainland, medical coverage, insurance, training and development programmes.





**BIOGRAPHICAL DETAILS OF
DIRECTORS AND
SENIOR MANAGEMENT**

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Liang Ronald (梁鵬程), aged 76, was appointed as a Director on 13 May 2013 and redesignated as the chairman of the Group and an executive Director on 5 December 2013. Mr. Liang is a founder of the Group and is responsible for the overall corporate development of the Group, managing relationships with clients and exploring new business opportunities. Mr. Liang is a director of certain subsidiaries of the Group. Mr. Liang graduated from the school of architecture of the South Australian Institute of Technology, Adelaide, Australia with a diploma in technology (architecture) in 1975.

Mr. Liang has 50 years of experience in the architectural service industry with 45 years of experience in Hong Kong. Prior to the establishment of Liang Wong Kou & Partners HK in 1985, Mr. Liang developed his career in architectural practices in Australia. Mr. Liang has also gained project experience from numerous projects in Chinese Mainland, Hong Kong, Macau and South East Asia.

Mr. Liang has been a registered architect in the state of New South Wales since 1980, an authorised person under the Buildings Ordinance of Hong Kong since 1984, a registered architect in Hong Kong since 1991. He also holds memberships in the Australian Institute of Architects since 1977, the Royal Institute of British Architects since 1981, and the Hong Kong Institute of Architects (“HKIA”) since 1989.

Mr. Liu Jiang Tao (劉江濤) (“Mr. Liu”), aged 56, was appointed as a co-chairman and executive Director on 16 June 2022. Mr. Liu graduated from Chongqing Institute of Architecture and Civil Engineering (currently named as Chongqing University), specialised on heating, ventilation and air conditioning in 1992. He was awarded a Master of Business Administration from Guanghua School of Management of Peking University.

Mr. Liu is currently the chairman of Beijing General Municipal Engineering Design & Research Institute (“BMEDI”). BMEDI is a subsidiary of Beijing Enterprises Group Company Limited (“BEGCL”), and is the holding company of Beijing Design Group Limited, one of the substantial Shareholders of the Company. Mr. Liu was the general manager of Beijing Gas and Heating Engineering Design Institute in 2012. He was the deputy general manager of Beijing Gas Group Co., Ltd. and the deputy general manager of Beijing Beiran Enterprises Group Co., Ltd. in 2015. He was the general manager of Beijing Enterprises Smart City Technology Development Co., Ltd. in 2020.

Mr. Liu is a professor-level senior engineer and registered consulting engineer and has accumulated nearly 30 years of experience in urban heating, comprehensive utilisation of gas and energy, smart city research, engineering design and management. Mr. Liu served as the deputy director of Safe & Security Management Committee of China Gas Association (中國城市燃氣協會安全委員會副主任), council member of Beijing Gas Association (北京市燃氣協會常務理事), and director of Beijing Work Safety Association (北京市安全生產聯合會理事). He participated in major planning, feasibility studies, scientific research projects, standardised specification and compilation, design, implementation and management work on engineering projects and he won a number of invention and patents and industry enterprise awards.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Mr. Fu Chin Shing (符展成), aged 59, is the compliance officer of the Company and was appointed as the chief executive officer of the Group and an executive Director on 5 December 2013. Mr. Fu joined the Group in 1991. He is primarily responsible for overseeing the overall operations and strategic planning of the Group, managing relationships with clients and exploring new business opportunities. Mr. Fu is a director of certain subsidiaries of the Group. He graduated from the University of Hong Kong with a bachelor's degree of arts in architectural studies in 1988 and a bachelor's degree in architecture in 1991.

Mr. Fu has almost 35 years of experience in the architectural service industry in Chinese Mainland and Hong Kong. He has been an authorised person under the Buildings Ordinance of Hong Kong and a registered architect in Hong Kong since 1993. He holds professional membership in the HKIA since 1992. He is also a class 1 registered architect in Chinese Mainland.

With his extensive experience in the industry, Mr. Fu has been serving various government advisory bodies including Town Planning Board, Construction Industry Council, Urban Renewal Fund, China Green Building (Hong Kong) Council, Construction Worker Registration Authority. Mr. Fu was appointed as the Justice of Peace (JP) in July 2016 and awarded the Medal of Honour (MH) by the Government of the HKSAR in October 2020.

Mr. Wang Jun You (王君友), aged 61, was appointed as an executive Director on 5 December 2013. Mr. Wang joined the Group with the rank of director in 2011. Mr. Wang is primarily responsible for strategic planning and overseeing the operations in Chinese Mainland, managing relationships with clients and exploring new business opportunities. He graduated from Tsinghua University with a master's degree in architecture in 1989.

Mr. Wang has over 35 years of experience in the architectural service industry in Chinese Mainland. He has obtained a class 1 registered architect in Chinese Mainland since 2001 and a Chartered Membership of the Royal Institute of British Architects in 2022. Prior to joining the Group, Mr. Wang has gained managerial experience in architectural companies in Chinese Mainland. He served as an expert member of Urban Planning & Natural Resources Department in Shenzhen (深圳市規劃和自然資源局建築設計審查專家庫專家成員) since 2015 and council member of Shenzhen Exploration & Design Association (深圳市勘察設計行業協會常務理事) since 2019 and a tutor for the postgraduate degree students of Shenzhen University (深圳大學專業學位研究生校外導師). Mr. Wang is a director of a significant subsidiary established in Chinese Mainland. Mr. Wang is the spouse of Ms. Li Min, a member of senior management of the Group.

Mr. Deng Li Ming (鄧立鳴), aged 45, was appointed as an executive Director on 12 September 2023. Mr. Deng obtained a master degree of science (engineering) from The University of Liverpool in December 2004. He is currently a member of the Urban and Rural Construction Environment Committee (城鄉建設環境委員會) of the Guangzhou Municipal Committee of Jiusan Society (九三學社廣州市委員會). Mr. Deng served as a senior engineer of the Guangzhou Urban Planning & Design Survey Research Institute (廣州市城市規劃勘測設計研究院) from 2004 to 2016. He also obtained qualification certificates for funds (基金從業員) under the Asset Management Association of China (中國證券投資基金業協會) in November 2016. Mr. Deng was also admitted as an expert in the demonstration of major administrative decisions of The People's Government of Guangzhou Municipality (廣州市重大行政決策論證專家庫) in May 2015.

Mr. Deng has over 20 years of expertise in urban development, infrastructure and environmental protection projects. He participated in many well-known projects such as Guangzhou International Finance City, Singapore Nanjing Ecological Smart City and Zunyi Economic and Technological Development Zone as the main person in charge, earning him various investment awards.

Mr. Deng is a director of certain subsidiaries of the Group. Since 2020, Mr. Deng has helmed C Cheng Investment Development Company Limited ("C Cheng Investment"), the domestic headquarters of the Company. He oversees the Group's strategy in Hong Kong and Guangzhou and manages mainland operations carried out by C Cheng Investment. Skilled in top-level design, Mr. Deng has been instrumental in establishing several investment platforms. With his profound urban development experience, he excels in making precise investment decisions, creating thriving ecosystems, and attracting industrial chain resources.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Mr. Lei Zhi Jun (雷志軍), aged 45, was appointed as an executive Director on 6 June 2024. Mr. Lei graduated from Wuhan University with a bachelor's degree in finance in 2002 and obtained a master's degree in economics from Renmin University of China in 2012. Currently, Mr. Lei serves as the vice general manager, and director of the strategic investment department at Beijing General Municipal Engineering Design & Research Institute Co., Ltd. ("BMEDI").

From 2002 to 2012, Mr. Lei Zhi Jun worked at Beijing Urban Construction Group Co., Ltd., where he held positions, including a finance manager at Beijing Urban Construction Third Construction Development Co., Ltd. and the director of investment management at the investment department of Beijing Urban Construction Group Co., Ltd.. From 2012 to 2017, he was employed at Beijing Enterprises Holdings Group Company Limited as a senior manager in the financial securities department.

Mr. Lei is a senior economist specialising in finance and holds extensive experience in infrastructure investment and financing, corporate investment and mergers, and state-owned enterprise reforms.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan James (陳進思), aged 72, was appointed as an independent non-executive Director on 3 April 2023. Mr. Chan graduated from the University of Hong Kong with a bachelor's degree of Arts in Architectural Studies, the University of Dundee in Scotland with a bachelor's degree of Architecture and an executive Master of Business Administration in Tsinghua University. Mr. Chan is a professional member in the HKIA and a Governor of the ISF Academy.

Mr. Chan is an independent non-executive director of Beijing Properties (Holdings) Limited (a public company listed on the Stock Exchange) (Stock Code: 0925) since June 2011. He served as the executive director of Pacific Century Premium Developments Limited (Stock Code: 432) during the period from August 2005 to February 2020, and a non-executive director of Viva China Holdings Limited (Stock Code: 8032) (currently known as Viva Goods Company Limited, under the Stock Code of 933) during the period from June 2013 to June 2019. Mr. Chan has over 45 years of comprehensive experience in construction and property industry.

Ms. Su Ling (蘇玲), aged 56, was appointed as an independent non-executive Director on 1 May 2017. She graduated from the Journalism College of China with a Bachelor Degree in News Editing in 1992. She received a Diploma in Management from China Europe International Business School (CEIBS) in 1999. Ms. Su has been an executive director of Investment Banking Division, Southwest Securities Company Limited from 2012 to 2016. Ms. Su was responsible for numerous projects of mergers and acquisitions, National Equities Exchange and Quotations listing and corporate refinancing in Chinese Mainland. She is well-experienced in capital operation and financial consulting.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Mr. Wan Sze Chung (温思聪), aged 51, was appointed as an independent non-executive Director on 28 October 2025. He graduated from The Hong Kong Polytechnic University with a Bachelor degree in Accountancy in November 1997. He also obtained a Master degree in Business Administration from the Chinese University of Hong Kong, a Bachelor of Law from Tsinghua University, and a Master of Education from University of Newcastle upon Tyne. Mr. Wan is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He is also a fellow member of the Hong Kong Institute of Directors.

Mr. Wan currently serves as an independent non-executive director of other companies listed on the Main Board of the Stock Exchange, including Plover Bay Technologies Limited (Stock Code: 1523) since June 2016, and E.Bon Holdings Limited (Stock Code: 0599) since September 2004. He is also a director of Jacob Walery Limited, a company specialising in corporate consultancy and training, since March 2007. In addition, he is also engaged in teaching at various universities and professional institutes. Saved as disclosed herein, Mr. Wan did not hold any directorship in other public companies the securities of which are listed in Hong Kong or overseas in the last three years.

Saved as disclosed above, there was no change to any information required to be disclosed in relation to any Director and chief executives pursuant to Rule 13.51B(1), and Rule 13.51(2)(a) to (e) and (g) of the Listing Rules during the year ended 31 December 2025. Further, the Board is not aware of any information that ought to be disclosed pursuant to the requirements under Rule 13.51(2) (h) to (v) of the Listing Rules, nor are there any other matters that ought to be brought to the attention of the shareholders of the Company.



SENIOR MANAGEMENT

Mr. Ma Kwai Lam Lambert (馬桂霖), aged 57, is the director of architecture. Mr. Ma is responsible for mixed use commercial architectural projects of the Group and oversees the operations in Hong Kong and Shanghai. Mr. Ma graduated from Virginia Polytechnic Institute and State University, USA with a bachelor's degree in architecture in 1995. Mr. Ma joined the Group in July 2009 and was promoted to the rank of director in January 2014. Mr. Ma has 30 years of experience in the architectural service industry in Chinese Mainland and Hong Kong. Mr. Ma has held professional membership in the HKIA since 2011 and has been a registered architect in Hong Kong since 2012.

Mr. Lo Kin Nang (盧建能), aged 56, is the director of architecture. He is responsible for architectural projects and overseeing the operations in Hong Kong and Greater Bay Area Studio in Chinese Mainland. He graduated from the University of New South Wales in Australia with a bachelor's degree in architecture in 1996. He joined the Group in 1997 and was promoted to the rank of director in 2010.

Mr. Lo has 27 years of experience in the architectural service industry by being involved in projects in Chinese Mainland and Hong Kong. He served as an evaluation expert member of the Shenzhen Construction Bureau (深圳市住房和建設局建設工程評標專家庫專家成員) in 2012. Mr. Lo has been a registered architect in Hong Kong since 2001. He holds professional membership in the HKIA since 2001. He is currently a Chartered Membership of the Royal Institute of British Architects, a specialist of BIM Pro (HK) BIM Pro of HKIA), a vice-chairperson of the Council of Guangzhou Engineering Exploration and Design Association (廣州市工程勘察設計行業協會副會長), co-chairman of Green Building Association of the Council of Guangzhou Engineering Exploration and Design Association (廣州市工程勘察設計行業協會綠色建築分會聯席會長), a honorary member of the Council of Guangdong Engineering Exploration and Design Association (廣東省工程勘察設計行業協會榮譽理事), co-chairman of Guangzhou Exploration & Design Association and Hong Kong and Macao Development Association (廣州市工程勘察設計行業協會協同港澳發展聯會聯席會長) and a member of the 11th CPPCC National Committee in Baiyun District, Guangzhou City (中國人民政治協商會議廣州市白雲區委員會委員). He is also a class 1 registered architect in Chinese Mainland.

Mr. Ng Kwok Fai (吳國輝), aged 55, is the director of architecture. He is responsible for architectural projects in Hong Kong and overseeing the operations in Hong Kong. He initially joined the Group in 1996 and later rejoined in 2004. He was promoted to the rank of director in 2010. He graduated from the University of Hong Kong with a bachelor's degree in arts (architectural studies) in 1992 and a master's degree in architecture in 1995.

Mr. Ng has 30 years of experience in the architectural service industry in Hong Kong. He was involved in the Group's projects in Chinese Mainland and Hong Kong. Mr. Ng has been a registered architect in Hong Kong since 1998 and an authorised person under the Buildings Ordinance of Hong Kong since 1999. He holds professional membership in the HKIA since 1998. He is also a class 1 registered architect in the PRC.



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Mr. Chan Chui Man (陳聚文), aged 50, is the director of architecture. He is responsible for assisting the executive Directors in overseeing the operations in Hong Kong. Mr. Chan graduated from the University of Hong Kong with a bachelor's degree in architectural studies and a master's degree in architecture in December 1997 and November 2000, respectively. He joined the Group in June 2000 as an architectural assistant and was promoted to the rank of director in January 2014. Mr. Chan has been a registered architect in Hong Kong since 2003, an authorised person under the Buildings Ordinance of Hong Kong since 2014 and a LEED AP of US Green Building Council since 2009 and a BEAM Pro between 2011 to 2015. He has held professional membership in the HKIA since 2003.

Ms. Yu Wing Sze (余詠詩), aged 49, is the company secretary and authorised representative of the Company and chief financial officer of the Group. She is responsible for overseeing the overall financial management of the Group. Ms. Yu graduated from the University of Hong Kong with a bachelor's degree in accounting and finance in December 1998. She joined the Group and served as finance and accounting director of LWK in August 2011. She has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants since 2003. She was admitted as a member and a fellow of the Association of Chartered Certified Accountants in November 2001 and December 2006, respectively. Ms. Yu has over 25 years of accounting and auditing experience accumulated for working for international accounting firm and main board listed companies in Hong Kong.

Ms. Li Min (李敏), aged 61, is the financial controller of a significant subsidiary established in Chinese Mainland. She is responsible for the finance, administration and human resources management for the operations in Chinese Mainland. Ms. Li graduated from the Liaoning University (遼寧大學) with a bachelor's degree in biology in July 1988. Ms. Li was accredited as an engineer (工程師) by the Title Management Office of Shenzhen City (Second Evaluation Committee of Engineer Qualification of Construction Engineering) (深圳市職稱管理辦公室 (深圳市建築工程技術工程師資格第二評審委員會)) in November 1999 with over 35 years of related experience. Before joining the Group in 2011, Ms. Li served as financial controller and deputy general manager in an architectural firm in Shenzhen and having many years of managerial experience. Ms. Li is the spouse of Mr. Wang Jun You, an executive Director and a significant Shareholder.

Ms. Zhang Li Juan (張麗娟), aged 61, is the operations controller in Chinese Mainland. She is responsible for the operations and contract management for the projects in Chinese Mainland. Ms. Zhang graduated from Chongqing Professional Construction College (重慶建築專科學校) with a professional certificate in management in construction engineering (建築工程管理專業) in July 1988. Ms. Zhang has over 30 years of managerial experience in operations and/or contract departments. She was accredited as an engineer (工程師) by the Title Reform Leading Group Office of Hebei Province (河北省職稱改革領導小組辦公室) in March 1998.







**ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

C Cheng Holdings Limited (the “Company”), together with its subsidiaries (collectively, the “Group”), is delighted to present the Environmental, Social and Governance (“ESG”) Report (the “Report”) for the period from 1 January 2025 to 31 December 2025 (the “Reporting Period”), unless otherwise stated. This Report outlines the Group’s ongoing efforts and commitment toward advancing a sustainable future. As LWK Landscape (Shenzhen) Limited has ceased to become a subsidiary of the Group during the Year, its qualitative and quantitative information is no longer included in this report.

The Group recognises that the integration of effective ESG initiatives into its business operations is vital for achieving long-term sustainability. By prioritising ESG practices, the Group aims not only to enhance financial performance and strengthen risk management, but also to provide stakeholders with meaningful insights into its operational practices and overall impact. The Group remains committed to advancing sustainable and responsible business conduct. This commitment goes beyond regulatory compliance, reflecting the Group’s genuine intention to generate positive social and environmental outcomes while fostering business growth. Through continuous improvement and proactive stakeholder engagement, the Group endeavours to ensure that its operations contribute positively to the communities and environments in which it operates.

Headquartered in Hong Kong, the Group primarily provides comprehensive architectural services along with Building Information Modelling (“BIM”) services. This Report covers the Group’s business operations in Hong Kong, Chinese Mainland, the Middle East and North Africa (“MENA”) region, and Southeast Asia, where the Group maintains offices in Dubai, Riyadh and Manila. The reporting scope is consistent with that of the previous year, ensuring continuity and comparability in the Group’s disclosures.

The Report has been developed in alignment with the ESG Reporting Code including the new climate-related disclosure requirements under Part D of the Code as outlined in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the “Listing Rules”). It adheres fully to the mandatory disclosure requirements and “comply or explain” provisions of the ESG Reporting Code. There were no changes to the methods or KPIs used, or any other relevant factors affecting a meaning comparison with previous period.

In order to provide ESG information that is both meaningful and decision-useful, the Group has prepared the Report in accordance with the reporting principles of materiality, quantitative, balance, and consistency. Both qualitative and quantitative data have been collected and used in formulating, implementing, and monitoring the Group’s ESG-related policies.

OUR BUSINESS

The Group’s principal business focuses on providing comprehensive architectural and Building Information Modelling (“BIM”) services. Its multidisciplinary expertise spans architecture, planning and urban design, interior design, landscape architecture, heritage conservation, BIM, brand experience and lighting design. These interconnected disciplines operate in seamless collaboration, functioning as an integrated system that enables the Group to deliver holistic, innovative and high-quality design solutions across all entrusted projects.

The Group’s flagship entity, LWK + PARTNERS, is recognised as one of the leading architectural practices globally. Established in 1985, LWK + PARTNERS has achieved significant success across the Greater China region, with offices in key cities including Hong Kong, Shenzhen, Beijing, Guangzhou, Shanghai, Chongqing and Macau. Beyond its established regional footprint, the firm continues to expand its international presence, strengthening its market reach in the MENA and Southeast Asia through offices in Dubai, Riyadh and Manila.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

In 2025, LWK + PARTNERS achieved the distinguished 32nd position in the World Architecture 100 (WA100) 2025 rankings and was recognised as the 3rd highest-ranked firm in China. In addition, LWK + PARTNERS was named one of Hong Kong’s “Top 10 Architects” and received the prestigious “Elite Award,” an honour granted to firms that have consistently maintained leading industry rankings for two consecutive decades. This accomplishment reflects the Group’s continued commitment to design excellence. Building on this recognition, the Group remains focused on strengthening its global presence, enhancing professional capabilities, and delivering sustainable, future-ready design solutions in the years ahead.



The integration of ESG principles with BIM reflects a powerful alignment between sustainability and technological innovation in the built environment. As a strong advocate and early adopter of BIM technologies, the Group has long recognised BIM as a transformative tool that enhances design quality, operational efficiency, and long-term sustainability across its projects. BIM enables comprehensive simulation of a building’s environmental performance including energy consumption, carbon emissions, and water efficiency before construction begins. This capability supports the Group in optimising design outcomes, reducing construction waste, selecting sustainable materials, and advancing green construction practices in line with ESG’s environmental objectives. By championing BIM adoption, the Group continues to integrate ESG considerations into every stage of project delivery, elevating performance, resilience, and stakeholder value.

OUR APPROACH

ESG performance serves as an important indicator of resilience and effectiveness of an organisation in managing risks. The Group is committed to operating in a sustainable, responsible, and transparent manner in pursuit of its long-term vision for a sustainable future. The Board of Directors of the Group (the “Board”) holds overall responsibility for the oversight of ESG matters, including the identification, evaluation, prioritisation, and management of material ESG-related risks and opportunities. This oversight ensures that ESG considerations are integrated into the organisation’s business strategy and objectives.

The Board is further responsible for establishing and reviewing ESG objectives, implementing relevant policies and measures, and ensuring accountability for the ESG Report. Through regular meetings and ongoing communication with management, the Board monitors progress against ESG targets and enables effective supervision and resource allocation for ESG initiatives.

STAKEHOLDERS ENGAGEMENT AND MATERIALITY ASSESSMENT

The Group recognises that understanding stakeholders' expectations and concerns on business development, risk management, and internal control is essential to responsible and sustainable business operations. To foster constructive and collaborative relationships, the Group is committed to engaging proactively with key stakeholder groups through a variety of communication channels and activities. Such engagement enables the Group to gain deeper insights into stakeholder priorities, respond effectively to emerging needs, and develop strategies and measures that address these issues. Through ongoing dialogue, the Group aims to strengthen stakeholder relationships, enhance operational practices, and generate long-term value. This approach ensures that the Group remains informed of stakeholder concerns while supporting the assessment of ESG issues that are significant to its business strategy and sustainable development.

Key stakeholder groups include shareholders, employees, customers, suppliers and business partners, government and regulatory authorities, as well as the wider community.

Through continuous stakeholder communication and deliberations at the Board level, the Group has identified ESG issues that are considered material to its operations. This materiality assessment forms an essential basis for formulating effective sustainability strategies and policies. The Group's performance relating to these material ESG issues is disclosed in this Report.

Material Issues	Materiality
Environment	
1. Emissions	Important
2. Energy management	Important
3. Environmental and natural resources	Important
4. Climate change	Important
Social	
Employment and Labour Practices	
1. Employment	Most important
2. Health and safety	Most important
3. Development and training	Important
4. Labour standards	Most important
Operating Practices	
1. Supply chain management	Important
2. Product responsibility	Most Important
3. Anti-corruption	Most important
Community	
1. Community investment	Relevant

A. ENVIRONMENTAL PERFORMANCE

Environmental Policy and Performance

The Group remains committed to environmental sustainability, despite operating in non-carbon-intensive sectors without manufacturing facilities and therefore having a relatively limited direct environmental footprint. The Group acknowledges that climate change poses one of the greatest challenges to sustainable development. Climate-related risks have a direct impact on short-term to long-term resilience and enterprise value and are increasingly shaping risk management priorities and strategic planning. In response, the Group continues to monitor both physical and transition risks associated with a changing climate, while recognising that the global shift toward a low-carbon economy also presents significant opportunities for business growth and innovation. Active engagement with stakeholders enables the identification and implementation of effective solutions that support sustainability objectives.

The Group recognises that green building practices play a critical role in decarbonising Hong Kong and advancing global climate goals under the Paris Agreement. Since 2018, the Group has implemented an ISO 14001 Environmental Management System and has been awarded ISO 14001:2015 certification. In addition, the Group maintains active corporate membership in the China Green Building (Hong Kong) Council and serves as a Silver Patron Member of the Hong Kong Green Building Council (“HKGBC”).

To recognise and showcase the sustainability effort of the Group, Ningbo World Centre Phase 2 redefines sustainable excellence. Ningbo World Centre Phase 2 spans over 100,000 sqm of land and offers approximately 850,000 sqm of premium mixed-use space. As the city’s first WELL Gold and LEED Gold Certified project, it sets a new benchmark for sustainable, world-class Grade-A office development. This pioneering project bends eco-conscious design with urban vitality. Featuring a rainwater garden, permeable pavements, and green innovation proving that sustainability and sophistication can coexist at the heart of the modern cities. The comprehensive Building Information Modelling approach employed throughout design and construction exemplifies how digital tools can facilitate the coordination essential for high-performance sustainable buildings.



中國綠色建築與節能(香港)委員會
China Green Building (HK) Council





Industry leadership extends beyond project delivery. As one of the key industry advocates, Mr. Ivan Fu, Managing Director of LWK + PARTNERS, continues to contribute to industry discourse on sustainable development. He delivered insights on navigating industry challenges and transforming strategies for growth at Tsinghua University's School of Architecture during the ESG-focused forum "40 Ways For Low Carbon Architecture". Mr. Fu was also a featured speaker at the Learning & Teaching Expo ("LTE") 2025, an event attended by over 20,000 visitors, featuring more than 560 booths and 290 sessions. His presentation, "Green Buildings and Smart Cities: Innovation and Sustainable Development," highlighted how STEAM-based approaches are driving practical sustainability solutions. His contributions encouraged forward-looking dialogue on low-carbon architectural design and inspired new pathways towards a carbon-neutral future.

Furthermore, LWK + PARTNERS honored to join inspiring panel discussions at the Forbes sustainability Leaders Summit 2025 in Abu Dhabi, the sessions explored how purposeful design is shaping next-generation urban living transforming cities into thriving, inclusive and resilient environments that priorities well-being, mobility and harmony.

These initiatives underscore its dedication to championing sustainability, reinforcing its positions as advocates and visionaries committed to building a more sustainable and resilient world.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

During the Reporting Period, the Group did not notice any non-compliance incidents in relation to environmental protection that would have imposed significant impacts on the operation of the Group. Furthermore, no complaints have been received from the clients.

KPI of ESG Reporting Code	Corresponding Page
<i>A Environmental Performance</i>	
A1 Emissions	
A1.1 Types of emissions and respective emissions data	Not applicable while insignificant
A1.2 Greenhouse gas emissions	Page 40
A1.3 Hazardous waste	Not applicable while insignificant
A1.4 Non-hazardous waste	Not applicable while insignificant
A1.5 Emissions mitigation	Page 40
A1.6 Hazardous and non-hazardous wastes reduction	Not applicable while insignificant
A2 Use of Resources	
A2.1 Energy consumption	Page 41
A2.2 Water consumption	Not applicable while insignificant
A2.3 Energy use efficiency	Page 41
A2.4 Water use efficiency	Not applicable while insignificant
A2.5 Packaging material	Not applicable while insignificant
A3 Environmental and Natural Resources	
A3.1 Impacts of activities on environment and natural resources	Page 42
A4 Climate Change	
A4.1 Significant climate-related issues	Page 43

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Emissions

The Group is dedicated to energy efficiency enhancement, which leads to a reduction in carbon emissions. By prioritising emission reductions, the Group seeks to combat climate change and improve local air quality. To achieve this initiative, the Group implements management systems designed to identify relevant requirements and monitor the performance of related activities. Furthermore, the Group ensures compliance with the latest applicable environmental laws, regulations, codes of practice, and other requirements pertaining to environmental aspects during the operations.

Since the Group is a non-industrial business in nature, it has an insignificant effect on the environment and natural resources. It does not produce any hazardous production nor produce any hazardous waste with no usage of packaging material for finished products during the operations. In addition, the Group considers its fuel usage of vehicles to be insignificant. As a result, KPIs A1.1 (types of emissions and respective emissions data), A1.3 and A1.4 (total hazardous waste and non-hazardous waste produced) and A1.6 (description of how hazardous and non-hazardous waste are handled, reduction initiatives and result achieved) are insignificant to the Group's operation and have not been disclosed in this Report.

During the Reporting Period, the Group did not have any violations of relevant environmental laws and regulations relating to air and greenhouse gas emissions ("GHG"), discharges into water and land, and the generation of hazardous and non-hazardous waste that have a significant impact on the Group.

Electricity consumption is the primary source of indirect energy-related GHG emissions (Scope 2) for the Group. In 2025, Group's offices in Hong Kong, Chinese Mainland, and MENA recorded a total electricity consumption of 813,032 kWh (2024: 918,946 kWh), supplied by local power companies.

Office	Electricity Consumption (kWh) 2025	Electricity Consumption (kWh) 2024
Hong Kong	300,685	353,613
Chinese Mainland	502,052	556,399
MENA	10,295	8,934

The corresponding CO₂ equivalent emissions amounted to 422,155 kg, covering workplaces with a total floor area of 6,488 square-meter in Hong Kong, Chinese Mainland and MENA (2024: 474,535 kg over 9,126 square-meter across the same regions).

Non-hazardous waste category	Quantity	Unit
CO ₂ equivalent emissions	422,155	kg
Intensity – Unit per office space	65.06	Kg/m ²

To support emissions mitigation (KPI A1.5), the Group has set targets to promote conscious electricity consumption. By consistently measuring and monitoring GHG emissions, the Group can better assess and manage risks associated with rising energy usage, reduce environmental impact, and achieve cost savings.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

In addition, the Group encourages employees to use public transportation and promotes teleconferencing or video conferencing as alternatives to business travel, especially air travel, to further minimise emissions.

The Group continues to uphold the good practices established in previous reporting periods and remains actively engaged in promoting energy conservation and efficiency. Demonstrating its ongoing commitment, the Group has once again pledged support to the Energy Saving Charter launched by the Environment and Ecology Bureau and the Electrical and Mechanical Services Department. Through this initiative, the Group encourages employees to adopt energy-saving habits in their daily work and reinforces its genuine support for territory-wide energy efficiency efforts.

Use of Resources

The sustainable use of resources is crucial for the future. The Group is committed to the responsible use of resources and actively promotes efficient resource utilisation. The Group considers its direct energy consumption from vehicle use as minimal while electricity consumption for its workplace represents a primary source of indirect energy consumption. The total electricity consumption was 813,032 kWh for Hong Kong, Chinese Mainland and MENA (2024: 918,946 kWh for same region), with an energy intensity of 125.31 kWh/m² for Hong Kong, Chinese Mainland and MENA (2024: 100.70 kWh/m² for same region).



Energy type	Quantity	Unit	Intensity – Unit per employee
2025			
Electricity consumption	813,032	kWh	1,645.81
Energy intensity	125.31	kWh/m ²	0.25
2024			
Electricity consumption	918,946	kWh	1486.97
Energy intensity	100.70	kWh/m ²	0.16

To maximise the workplace efficiency, the Group will periodically assess the workspace. Furthermore, energy conservation measures have been implemented to reduce electricity consumption in the workplace. The measures include, but are not limited, adopting energy-efficient equipment, installing LED lighting, ensuring lights and air-conditioning are turned off in respective areas after office hours and conducting regular maintenance of equipment to ensure optimal performance and enhance energy efficiency.

The water consumption in total and intensity (KPI A2.2) and water efficiency initiatives and result achieve (KPI A2.4) of the Group are insignificant to the Group's operation since its operation does not involve any water consumption. The primary use of water was daily human water consumption within the workplace. While this involves minimal usage, the Group consistently advocates for conscientious water usage habits. During the Reporting Period, the Group did not maintain formal statistics on water consumption, as the water supply in the Group's office premises are managed by the property management companies. Additionally, no packaging materials were utilised for finished products in the operations, rendering the packaging material usage for finished products (KPI A2.5) inapplicable to the Group.



Environment and Natural Resources

Given the business nature of the Group, its operation does not involve any production-related pollution with respect to air, water and land, which are regulated under the related environmental laws and regulations. All main operations of the Group are indoor operations, where direct impact arising from the activities of the operation towards the environment and natural resources are minimal.

The Group upholds the commitment in urban transformation, sustainability, and design excellence within rapidly evolving regional contexts. Transforming urban space into community life, the East Coast Boardwalk is redefining city living – transforming once - neglected space under the Island Eastern Corridor into a dynamic, multi-use public realm. This project incorporates smart and sustainable design by highway canopy provides shade and shelter. Adopting adaptive lighting and AR navigation enhances users’ journey experience. Modular commercial pods support local makers and pop-up markets. To recognise this inspiring project, this project has been awarded HKIA Merit Award (Open Space) plus 2nd Runner-up for the Favourite Project at the HKIA Annual Awards 2025.

In addition, one of the other significant projects namely “Greater Bay Area’s Green Nexus: Nansha’s Cultural & Recreational Park Net” has been awarded the Hong Kong Institute of Planners (HKIP) Awards 2024 – Certificate of Merit. This recognition is a testament to the team’s dedication to creating sustainable, vibrant urban spaces in the GBA, Chinese Mainland.

Climate Change

As the impacts of climate change continue to unfold globally, the Group remains committed to energy conservation and to providing green and sustainable products to its customers, supporting its long-term vision for a sustainable future.

To address this issue, the Group has endorsed the “Energy Saving Charter” and continue to promote conscious and responsible energy use across the workplace. In addition, the Group has identified climate change-related risks and opportunities that may affect its business operations through a comprehensive review of internal policies, analysis of current business conditions, stakeholder engagement, and an assessment of relevant government policies.

Following the Board’s thorough review, climate-related risks have been classified into two categories: physical risks and transition risks. The Group will continue to invest significant effort in assessing and evaluating these risks and opportunities. The insights gained will guide the development of future management strategies aimed at effectively mitigating climate impacts and enhancing the Group’s long-term resilience.

Climate change has led to greater frequency of adverse or extreme weather events, posing risks for employees commuting to work and potentially causing temporary business disruptions to business operations. In response, the Group has established a comprehensive health and safety policy to safeguard the employees which includes a contingency work plan for extreme weather conditions. This plan ensures operational continuity by enabling safe resumption of work once conditions stabilise and by supporting the development of flexible work-mobility arrangements.

In addressing the challenges posed by global climate change, government and regulatory organisations are introducing increasingly stringent regulatory restrictions or measures on climate disclosure. These transition risks, which extend across the medium to long-term, may require the Group to allocate additional resources to ensure compliance, potentially affecting operational efficiency, strategic planning and financial performance. To mitigate these risks, the Group remains committed to staying informed of the latest regulatory developments and conducting regular internal reviews of ESG-related measures with the support of professional expertise.

Furthermore, growing market awareness of the importance of strong ESG performance has accelerated demand for sustainable design and green building practices. Customers are increasingly seeking innovative, environmentally responsible solutions and the use of eco-friendly materials. While this presents medium- to long-term operational implications—such as the need to invest in advanced design technologies and enhanced training for professional staff – the Board views this shift as a significant opportunity for the Group to strengthen its industry leadership by proactively adopting sustainable practices.

As change continues to evolve, the Group will remain agile in adapting to emerging climate-related risks and opportunities. In summary, the Group is committed to embedding sustainability into its business strategies and operations, fostering innovation, and creating long-term value for both the Group and the community.

B. SOCIAL PERFORMANCE

KPI of ESG Reporting Code	Corresponding Page
<i>B. Social Performance</i>	
B1 Employment policies and standard	
B1.1 Total workforce	Page 45
B1.2 Employee turnover rate	Page 47
B2 Health and Safety policies and standard	Page 49
B2.1 Number and rate of work-related fatalities	No work-related fatalities in the past 3 years
B2.2 Lost days due to work injury	No lost day due to work injury
B2.3 Occupational health and safety measures	Page 49-50
B3 Development and Training	Page 50
B3.1 Percentage of employees trained	Page 51
B3.2 Average training hours	Page 51
B4 Labour Standards	
B4.1 Avoid child and forced labour	No child and forced labour employment
B4.2 Steps taken to eliminate child and forced labour	Page 52
B5 Supply Chain Management	
B5.1 Number of suppliers by geographical region	Page 52
B5.2 Suppliers engagement	Page 52
B5.3 Practice used to identify environmental and social risks	Page 52
B5.4 Practice used to promote environmentally preferable products and services	Page 52
B6 Product Responsibility	
B6.1 Product recalls for safety and health reasons	No product recall record
B6.2 Products and service related complaints received	No complaint received
B6.3 Intellectual property rights protection	No infringement case
B6.4 Quality assurance process and recall procedures	Page 52
B6.5 Data Protection and privacy policies	Page 52
B7 Anti-corruption	
B7.1 Number of concluded legal cases of corruption practices	No concluded legal case
B7.2 Preventive measures and whistle-blowing procedures	Page 53
B7.3 Anti-corruption training	Page 53
B8 Community Investment	
B8.1 Focus areas of contribution	Page 53-57
B8.2 Resources contributed on focus area	Page 53-57

Employment

The Group recognises that a resilient and high-performing workforce is essential to supporting its business expansion strategy, strengthening its sustainable business model, and achieving long-term success. By fostering teamwork and open communication, and a culture that promotes continuous learning and professional development, the Group empowers employees to reach their full potential. This commitment is further reinforced through comprehensive training and development programmes.

To attract and retain talent, the Group offers competitive remuneration and benefits packages, benchmarked annually against industry trends. In addition, it supports employees' overall wellbeing through a structured wellness programme and continues to invest in professional development. The Group also acknowledges that employee empowerment is fundamental to unlocking individual capabilities and driving collective performance.

To strengthen its talent pipeline, the Group actively collaborates with academic institutions. These partnerships not only promote career opportunities but also enhance the Group's employer brand within the industry. Furthermore, the Group remains committed to fostering a diverse and inclusive workplace that enhances organisational performance and supports the communities it serves.

The Group also regards its Internship Programme as an important component of talent development and a key element of its corporate social responsibility commitments. In 2025, over 20 local and overseas interns from a wide range of academic disciplines joined the Group for structured placements, gaining hands-on experience through participation in live projects under the guidance of seasoned professionals. These opportunities provide practical exposure, mentorship, and insights into real-world practice, helping bridge the transition from education to employment. By investing in emerging talent, the Group supports the long-term sustainability of the profession and nurtures future industry leaders.

The Group is dedicated to maintaining high levels of employee engagement and a workplace built on trust, fairness, and mutual respect. A formal Grievance Procedure is in place to provide a transparent and structured approach for addressing workplace or employment-related concerns. In 2025, no employee grievances were reported.

As of 31 December 2025, the Group has employed approximately 500 full-time staff (2024: around 615) across its office in Hong Kong, Chinese Mainland, South East Asia and MENA.

The distribution of workforce (excluding placement) of the Group is summarised as below:

	Regional Distribution	
	2025	2024
Chinese Mainland	50%	55%
Hong Kong	34%	32%
Southeast Asia	10%	8%
MENA	6%	5%
Total	100%	100%

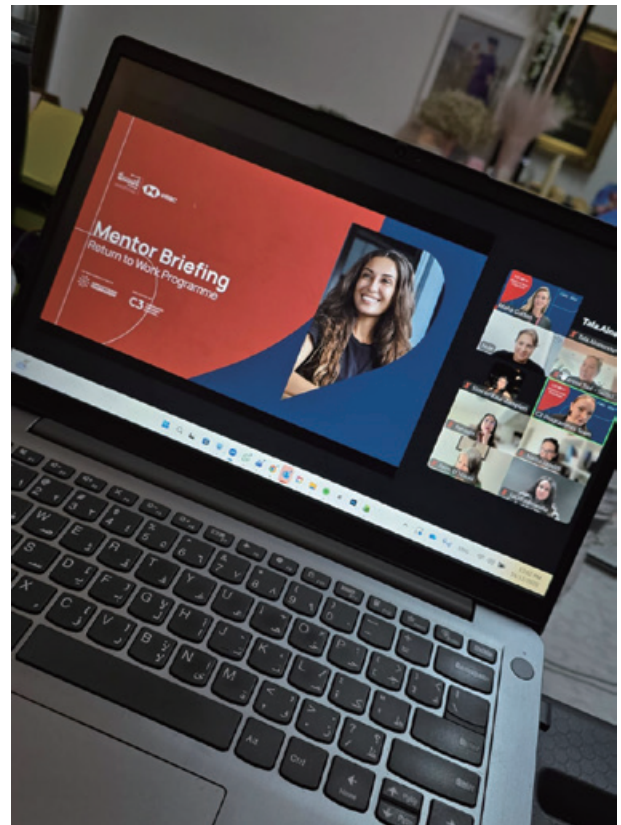
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

The Group strictly complies with all applicable national laws and regulations and has implemented a standardised labour and employment management system across its operations. As an equal opportunity employer, the Group is committed to ensuring fair and impartial treatment for all employee, regardless of gender, physical condition, race, ethnicity, age, sexual orientation or other personal attributes. Recruitment, development, compensation and career advancement are guided by objective standards, including professional commitment, qualifications, skills, performance, and capability, to build a workforce enriched by diverse experiences, perspectives and expertise.

Women's empowerment within the construction and design sectors remains a priority across the region. The Group is committed to advancing gender equality and diversity by increasing female representation and supporting employees in balancing professional and personal responsibilities. The Group is a signatory to the United Nations Women's Empowerment Principles (WEPs), demonstrating its formal commitment to promoting gender equality and women's empowerment in the workplace, the marketplace, and the wider community.

Endorsed by the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the UN Global Compact, the WEPs provide a globally recognised framework for fostering inclusive leadership, fair treatment, professional development, and equitable opportunity. By aligning with these principles, the Group affirms that gender equality is both a social responsibility and a key driver of long-term organisational resilience, competitiveness, and sustainable growth.

The Group continues to embed gender-inclusive into its people management systems, leadership culture, and community initiatives, supported by transparent reporting and ongoing evaluation.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

As of 31 December 2025, the Group's annual staff turnover rate is presented in the table below. Staff turnover among managerial positions remains relatively low, reflecting strong employee engagement and high levels of satisfaction with Group's work environment. As a result, many employees have been with the Group for more than 5 years, developing long and rewarding careers within the organisation.

Position Grade	Male	Female	Sub-total
2025			
Senior Management	2%	0%	2%
Middle Management	13%	3%	16%
General Management	53%	29%	82%
Total	68%	32%	100%
2024			
Senior Management	1%	0%	1%
Middle Management	7%	2%	9%
General Management	58%	32%	90%
Total	66%	34%	100%

During the Reporting Period, the Group did not notice any material non-compliance of laws and regulations in respect of human resources.

Number of Employee (divided by position grade and age)

Position Grade	Age					Sub-total
	30 & below	31-40	41-50	51-60	60 & above	
2025						
Senior Management	0%	0%	5%	3%	1%	9%
Middle Management	0%	6%	6%	2%	0%	14%
General Employees	20%	39%	11%	6%	1%	77%
Total	20%	45%	22%	11%	2%	100%
2024						
Senior Management	0%	1%	4%	2%	1%	8%
Middle Management	0%	5%	7%	1%	0%	13%
General Employees	28%	35%	10%	5%	1%	79%
Total	28%	41%	21%	8%	2%	100%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Number of Employees (divided by position grade and education)

Position Grade	Education					Sub-total
	Master or above	Bachelor	College	Technical Institute	Secondary School or below	
2025						
Senior Management	4%	4%	0%	0%	0%	8%
Middle Management	5%	8%	1%	0%	0%	14%
General Employees	13%	47%	14%	2%	2%	78%
Total	22%	59%	15%	2%	2%	100%
2024						
Senior Management	3%	5%	0%	0%	0%	8%
Middle Management	5%	7%	1%	0%	0%	13%
General Employees	11%	48%	16%	3%	1%	79%
Total	19%	60%	17%	3%	1%	100%

Number of Employees (divided by position grade and gender)

Position Grade	Male	Female	Sub-total
2025			
Senior Management	8%	2%	10%
Middle Management	10%	4%	14%
General Employees	51%	25%	76%
Total	69%	31%	100%
2024			
Senior Management	7%	1%	8%
Middle Management	10%	3%	13%
General Employees	52%	27%	79%
Total	69%	31%	100%

Health and Safety

The Group upholds a “People-oriented” philosophy and is committed to providing a safe, accident-free and welcoming workplace. This commitment is reinforced through strict compliance with occupational health and safety regulations and the provision of competitive remuneration and benefits to support employee wellbeing.

Workplace improvement remains one of the top priorities of the Group, and continuous improvements have been made across various offices. During the Reporting Period, the Guangzhou operation team have been relocated to the newly constructed C Cheng Future City Business Headquarter, located in Baiyun District of Guangzhou. This building also represents one of the group’s prestigious project, showcasing its design excellence and commitment to high-quality work environments. In line with the development plan of the Group, another subsidiary will soon relocate to a new Grade A office building in the Qianhai Shenzhen-Hong Kong Cooperation Zone in Shenzhen. Beyond functional office layouts, these workplaces also featured a communal space equipped with recreational facilities designed to encourage social interaction, casual discussion, and relaxation, fostering employee wellness and overall wellbeing.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

The Group also promotes healthy lifestyles and work-life balance by encouraging participation in international fitness challenges, charity runs and community health programmes. These initiatives strengthen a supportive organisational culture built on mental and physical resilience.



During the Reporting Period, the Group are pleased to maintain zero occurrence of work-related accidents and injuries. Thus no lost days due to work injury. The Group has achieved zero work-related fatalities in the past three years, reflecting its strong commitment to maintaining a safe and healthy working environment.

Development and Training

Excelling in a rapidly evolving industry requires continuous learning and professional growth. The Group places strong emphasis on lifelong learning and actively promotes skills development to meet emerging industry demands. During the Reporting Period, a series of training programmes and knowledge-sharing sessions were conducted across the Group's offices.

A key training priority focused on enhancing design capabilities to support the decarbonisation of future cities and buildings. Industry experts were invited to deliver insights on the latest global trends, regulatory developments, industry standards, and emerging research. Core topics covered included: zero energy design and low carbon design; climate adaptability and resilience; water and resource management; Artificial Intelligence (AI) integration, BIM applications and digital transformation; architectural innovation aligned with carbon neutrality goals and smart work practice to enhance operational efficiency. To further strengthen innovation, the Group established a dedicated study group to explore the potential application and advancement of AI technologies to improve design efficiency and project delivery.

In addition, the Group collaborated with a prestigious client and industry organisations to organise an outbound project site visit for an immersive, on-site design exchange activity. This initiative facilitated real-time learning, peer exchange, and ongoing dialogue with industry experts.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

During the Reporting Period, the Group's training hour were 1,244 hours in total, with 470 employees attendance from all levels. Both physical training and on-line training were conducted across the global office network.

Position Grade	Senior Management		Middle Management		General Staff	
	Male	Female	Male	Female	Male	Female
2025						
Percentage of Employee Trained	100%	56%	100%	100%	70%	100%
Average Training Hours Completed Per Employee	2	3	3	2	3	3
2024						
Percentage of Employee Trained	83%	88%	100%	100%	49%	88%
Average Training Hours Completed Per Employee	4	3	3	3	4	3



Labour Standards

The Group is fully committed to complying with all national laws and regulations related to employment, and strictly prohibits the use of child and forced labour in all its operations. The Human Resources Department adhere to rigorous procedures throughout the recruitment and employment lifecycle to ensure that all employment practices are lawful, ethical, and properly documented. During the Reporting Period, the Group had no material labour disputes, litigation, claims, administrative action or/and arbitration cases.

Supply Chain Management

Supply chains play a critical role in advancing organisation-wide sustainability goals. The Group integrates a broad range of environmental considerations into its supply chain management policies and prioritises local sourcing to support regional economies and minimise environmental impact. To support daily operations, the Group collaborates with over 100 global business partners, with the majority being local companies in Hong Kong and Chinese Mainland. This diverse supplier network enhances stability, resilience, and operational continuity.

The Group is committed to responsible procurement, taking environmental impact into account alongside traditional criteria such as product quality, pricing, and delivery performance. In addition, the Group places strong emphasis on business ethics, including legal compliance, intellectual property protection, data privacy, fair competition, anti-bribery practices, and the avoidance of conflicts of interest.

As a responsible enterprise, the Group encourages its business partners to uphold strong corporate social responsibility principles and demonstrate their commitment to environmental protection.

Product Responsibility

The Group places the highest priority on delivering innovative, high-quality products and services to enhance customer experience. This commitment is embedded in the Group's identity and operational strategy, with the objective of building long-term customer relationships and strengthening client loyalty.

To uphold these standards, the Group strictly complies with all relevant laws and regulations and has integrated the ISO 9001 Quality Management System and the ISO 14001 Environmental Management System into its daily operations. These internationally recognised frameworks support continuous improvement, operational efficiency, and the minimisation of environmental impacts. During the Reporting Period, no product recalls for safety and health reasons and no complaints were received regarding service quality and service delivery.

Intellectual Property Rights

Brand distinctiveness is one of the Group's most valuable assets. To safeguard this asset, the Group has registered numerous trademarks and domain names. The Group is committed to protecting its intellectual property and ensuring compliance with all intellectual property rights regulations, while also respecting the rights of third parties. During the Reporting Period, the Group did not receive any reports of infringement.

Data Protection and Privacy

The Group places high importance on data protection and privacy and is dedicated to maintaining a secure data environment. Customer information is safeguarded in accordance with the Personal Data (Privacy) Ordinance and other applicable guidelines. All employees are prohibited from disclosing any information related to their employment including trade secrets, know-how, client data, supplier information, and other proprietary materials without prior written authorisation from the Group. These obligations are clearly stipulated in every employment contract.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

With the increasing use of digital data, the risks associated with cyber threats continue to evolve. To address these challenges, the Group has implemented a range of cybersecurity measures designed to protect information assets from unauthorised access and malicious attacks. Internal communication and awareness initiatives on cybersecurity risk mitigation have also been conducted for all employees.

Anti-corruption

All employees of the Group are accountable for upholding high standards of business ethics. The Group conducts regular reviews of its management approach to business ethics and ensures compliance with anti-corruption laws and its Code of Conduct, including biannual assessments of controls related to bribery risks. Anti-corruption training is provided to employees, and all new staff members are introduced to these requirements through the mandatory induction programme and staff handbook. To reinforce awareness, the Group also encourages employees to attend anti-corruption training organised by the Independent Commission Against Corruption ("ICAC").

Furthermore, a comprehensive whistle-blowing policy and reporting procedures have been established to enable employees, suppliers, customers, and other third parties to report suspected misconduct. These procedures are accessible in the staff handbook and ensure confidentiality and protection for whistle-blowers.

During the Reporting Period, the Group did not observe any instances of non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering.

Community Empowerment

The Group continues to prioritise meaningful contributions to vulnerable populations and underserved areas, while actively encouraging employee volunteerism to build stronger, more resilient communities. These efforts reflect our core values of compassion, inclusion, and shared responsibility, enhancing social cohesion and demonstrating its role as a responsible corporate citizen.

A key highlight during the reporting period was the "Architecture Clinic" held as part of the "Arkitekturang Bayan" session, where free professional design guidance to 50 Overseas Filipino Workers were provided. This outreach enabled participants to make informed decisions about home construction and resilient living in their home regions, democratising access to expert architectural knowledge and delivering practical support to those building or improving homes abroad.

In addition, the Group collaborated with charitable organisations to support under-resourced communities through meaningful resource-sharing initiatives. As part of this effort, the Group donated pre-owned refrigerators to families living in transitional housing, helping to improve their daily living conditions. The family expressed their gratitude by sending an appreciation letter to the Group.

Furthermore, the Group partnered with the community organisation Food Grace to donate mooncakes to low-income families during the festive season. To further promote resource circulation and waste reduction, used mooncake boxes were collected and processed by Greeners Action for recycling. These initiatives reflect the Group's commitment to community care, circular economy principles, and responsible resource management.

Through these combined efforts, The Group continues to demonstrate a sustained commitment to community care, sustainable resource management, and inclusive social impact, creating meaningful and lasting positive change for those we serve.



Empowering Emerging Talent through thought Leadership

The Group firmly believes that knowledge-sharing is a fundamental responsibility of professional practice and that the long-term advancement of the built environment depends on rigorous, open dialogue among academia, industry, and society. In 2025, the Group continued to play an active and agenda-free role in global and regional discourse through lectures, panel discussions, media appearances, and academic collaborations, consistently offering our expertise to support research, nurture emerging talent, and bridge the gap between theoretical insight and practical application.

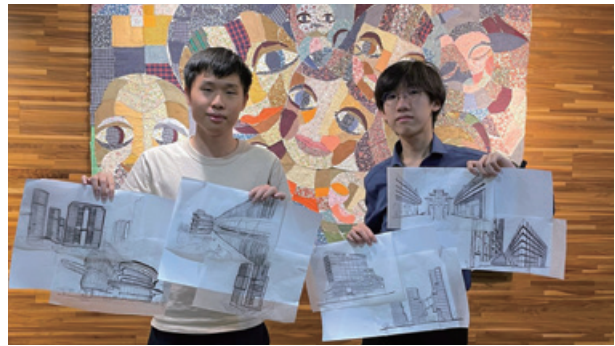
Throughout the year, leadership and professionals of the Group participated in over 40 speaking engagements across local, regional, and international platforms. These sessions addressed pivotal themes shaping the future of architecture and urbanism, including technological transformation, desert urbanism, climate-resilient design, sustainability, empowerment, and the evolving societal role of design. By leveraging digital and broadcast media channels, these engagements helped bring architectural perspectives into broader public conversations, helping to cultivate an informed community that prioritises high-quality, human-centric, and responsible built environments.



Partnerships for Youth Development and Work Experience

The Group is deeply committed to nurturing emerging talent and supporting the next generation of professionals in the built environment sector. Structured programmes are designed to bridge academic learning with real-world practice, fostering practical skills, mentorship, and career readiness.

In addition to its structured internship programme from diverse academic backgrounds, the Group also hosted a workplace experience programme at the Hong Kong office, welcoming talented secondary school students for a two-week internship. This initiative offered valuable first-hand exposure to the architecture industry, providing practical insights and inspiring informed career exploration at an early stage. As a longstanding corporate partner of Project WeCan, the Group continues to create accessible pathways for young people to explore opportunities in the built environment sector.



Empowering Future Architects and Designers

The Group regards leading academic institutions as vital partners in developing future-ready talent for the built environment. Active collaborations are maintained with universities across the GBA, Hong Kong, and internationally through guest professorships, curriculum advisory roles, guest lectures, design juries, studio visits, and mentoring programmes.

These partnerships bridge academic theory and professional practice. By contributing to curriculum development, advisory boards, student mentoring, and career initiatives, the Group supports the development of graduates equipped with the technical skills, innovative thinking, ethical foundation, and practical insight needed for evolving industry and societal demands.

In 2025, the Group continued its engagement with the Hong Kong Institute of Design (HKDI), serving as critics and reviewers for the HKDI HDLA Landscape Architecture Annual Show 2025. The creativity and vision demonstrated by emerging landscape designers highlighted the value of providing real-world insights to support their professional growth.

The Group also welcomed faculty and students from multiple universities for in-depth studio visits across office locations. Through direct exchanges with design teams, participants explored advanced design concepts and methodologies, fostering regional collaboration and empowering young talent in an integrated professional landscape.



Encouraging Wellness Through Community and Charity Runs

The Group places strong emphasis on the physical and mental well-being of employees, recognising that active lifestyles are essential to sustaining productivity, resilience, and overall health. Participation in fitness initiatives that simultaneously support charitable causes and contribute to community vitality.

In 2025, teams from multiple offices consistently took part in prominent charity running events in Hong Kong, including the Standard Chartered Marathon, the Kerry Hong Kong Streetathon, and the Community Chest Charity Marathon. These events enabled the Group to raise funds for health-related and social welfare programmes while strengthening team spirit, personal achievement, and a shared sense of purpose.

The Dubai office also fully embraced the annual Dubai Fitness Challenge, committing to daily physical activity and culminating in large-scale community runs that brought together thousands of participants to celebrate and promote active, healthy living.

Through these collective efforts—combined with broader community health programmes—the Group continues to foster a supportive and energetic organisational culture grounded in mental and physical resilience, while reinforcing a long-term commitment to healthier individuals and more vibrant communities.



A photograph of a modern building at dusk. The building has a white facade with large windows and a balcony. A large tree is in the foreground, and a courtyard with a fountain and seating area is visible. The sky is a deep blue.

CORPORATE GOVERNANCE REPORT



CORPORATE GOVERNANCE REPORT

The Company is committed to promoting good corporate governance, with the objectives of (i) the maintenance of responsible decision making; (ii) the improvement in transparency and disclosure of information to Shareholders; (iii) the continuance of respect for the rights of Shareholders and the recognition of the legitimate interests of the Shareholders; and (iv) the improvement in management of risk and the enhancement of performance by the Group. The Company will continue to monitor and review its corporate governance practices to ensure compliance with the regulatory requirements and to meet the expectations of the Shareholders and investors.

(A) CORPORATE GOVERNANCE PRACTICES

For the year ended 31 December 2025, the Company applied the principles and complied with the code provisions set out in the Corporate Governance Code (the "Code") contained in Appendix C1 of the Rules Governing the Listing of Securities of the Stock Exchange (the "Listing Rules").

Cultures and Values

A healthy corporate culture across the Group is integral to attain its vision and strategy. It is the role of the Board to foster a corporate culture with the following core principles and to ensure that the vision, values and business strategies of the Company are aligned to it.

1. Integrity and code of conduct

The Group strives to maintain high standards of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the employee handbook (including therein the code of conduct), the anti-corruption policy and the whistleblowing policy of the Group. Trainings are conducted from time to time to reinforce the required standards in respect of ethics and integrity.

2. Commitment

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is one where people have a feeling of commitment and emotional engagement with the mission of the Group. This sets the tone for a strong, productive workforce that attracts, develops, and retains the best talent and produces the highest quality work. Moreover, the strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

The Company will continually review and adjust the vision, values and business strategies as required to keep track of changing market conditions and context to ensure that timely and pro-active measures will be taken to mitigate the effect of changes.

(B) MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules in terms no less exacting than the required standard set out in the Model Code as its code of conduct regarding securities transactions by Directors.

Reference is made to the announcement of the Company dated 30 September 2025. The Company was notified by Mr. Deng Li Ming ("Mr. Deng"), an executive Director, that on 12 August 2025, he entered into an off-market transaction purchasing of a total of 4,980,000 shares of the Company at a consideration of HK\$0.25 per share (the "Transaction") without first having notified the Company prior to the Transaction in accordance with the requirements under paragraph B.8 of Appendix C3 to the Listing Rules. As a result of the Transaction, the beneficial shareholding interest of Mr. Deng in the Company has been increased from 0% to 1.15% of the total issued share capital of the Company as at the date of this announcement.

Pursuant to paragraph A.3 of Appendix C3 to the Listing Rules, the Directors are prohibited from dealing in any securities of the Company on any day on which its financial results are published and during the period of 30 days immediately preceding the publication date of the interim results of the Company for the six months ended 30 June 2025 (the "Interim Results"), as well as any period of delay in the publication of the Interim Results announcement (the "Black-out Period"). As disclosed in the announcement of the Company dated 11 August 2025, the meeting of the board of Directors (the "Board") for the publication of the Interim Results was scheduled on 25 August 2025 and the Transaction therefore fell within the Black-out Period and constituted a dealing of shares by Mr. Deng and a non-compliance incident of paragraphs A.3 and B.8 of Appendix C3 to the Listing Rules (the "Non-compliance Incident").

Mr. Deng reported the Non-compliance Incident to the Company and confirmed that the non-compliance was an inadvertent oversight, and that he did not intend to commit such mistake. Mr. Deng further confirmed that he did not possess any inside information of the Company when the Transaction took place. After the Non-compliance Incident, Mr. Deng re-studied in-depth the internal code of securities transactions by directors and chief executives of the Company. Mr. Deng made arrangements to attend training courses on regulatory compliance and corporate governance by the end of December 2025, to ensure he will not contravene Appendix C3 of the Listing Rules and he will stay vigilant to avoid any recurrence of the non-compliance.

Upon becoming aware of the Non-compliance Incident, the Company had implemented an electronic calendar system, whether by email browser or other software, such that the blackout period can be marked on the calendars which can be reviewed by each member of the Board from their mobile devices. And the board of Directors would reply to the Company for the acknowledgement of the duration of the Blackout Period in coming future after they receive the notification emails from the Company to prevent similar incidents in the future. The Company circulated Appendix C3 to the Listing Rules and reminded the Directors to comply with its requirements more frequently to ensure compliance with and enhance their awareness of good corporate governance practices.

Save as disclosed above, having made specific enquiries to all Directors, all Directors confirm that they have complied with the required standard as stated in the Model Code regarding securities transactions throughout the year ended 31 December 2025.

(C) NON-COMPLIANCE WITH THE LISTING RULES

Following the redesignation of Mr. Wong Hin Wing from an independent non-executive Director to a non-executive Director, the Company failed to meet the following requirements of the Listing Rules:

1. the board of directors must include at least three independent non-executive directors, under Rule 3.10(1) of the Listing Rules and the Company must appoint independent non-executive directors representing at least one-third of the board, under Rule 3.10A of the Listing Rules;
2. the audit committee must be chaired by an independent non-executive director, under Rule 3.21 of the Listing Rules;
3. the remuneration committee must comprise a majority of independent non-executive directors, under Rule 3.25 of the Listing Rules; and
4. the nomination committee must comprise a majority of independent non-executive directors, under Rule 3.27A of the Listing Rules;

Following the appointment of Mr. Wan Sze Chung as an independent non-executive Director on 28 October 2025, (i) the Board comprises three independent non-executive Directors, representing one-third of the Board; (ii) the Audit Committee is chaired by an independent non-executive Director; (iii) the Remuneration Committee comprises a majority of independent non-executive Directors; and (iv) the Nomination Committee comprises a majority of independent non-executive Directors. Accordingly, on 28 October 2025, the Company resumed compliance with Rules 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules.

(D) BOARD OF DIRECTORS

The Board is entrusted with the overall responsibility for promoting the success of the Company by directing and supervising the business and affairs of the Company. The ultimate responsibility for the day-to-day management of the Company is delegated to the chairman, chief executive officer and senior management of the Company. In practice, the Board takes responsibilities for decision making in all major matters of the Company. The day-to-day management, administration and operation of the Company are delegated to the executive Directors and senior management. Approval has to be obtained from the Board prior to any significant transactions entered into by the Group and the Board has the full support of them to discharge its responsibilities.

As at the date of this report, the Board comprises nine Directors, including six executive Directors and three independent non-executive Directors. The composition of the Board is set out as follows:

Executive Directors

Mr. Liang Ronald (Chairman)
Mr. Liu Jiang Tao (Co-chairman)
Mr. Fu Chin Shing (Chief Executive Officer)
Mr. Wang Jun You
Mr. Deng Li Ming
Mr. Lei Zhi Jun

Independent Non-Executive Directors

Mr. Chan James
Ms. Su Ling
Mr. Wan Sze Chung

Each independent non-executive Director has given an annual written confirmation of his/her independence to the Company, and the Company considers them to be independent under Rule 3.13 of the Listing Rules.

CORPORATE GOVERNANCE REPORT (Continued)

In compliance with Rule 3.09D of the Listing Rules which took effect on 31 December 2023, Mr. Wan Sze Chung (“Mr. Wan”), who was appointed as a Director on 28 October 2025, obtained the legal advice referred to in Rule 3.09D on 28 October 2025, and Mr. Wan confirmed that he understood his obligations as a Director.

The Board meets at least four times a year at approximately quarterly intervals and additional meetings will be convened as and when required. During the year ended 31 December 2025, the record of attendance of each Director is set out as follows:

Directors	Board meeting attended/ eligible to attend	General meeting attended/ eligible to attend
Executive Directors		
Mr. Liang Ronald	11/11	1/1
Mr. Liu Jiang Tao	10/11	1/1
Mr. Fu Chin Shing	11/11	1/1
Mr. Wang Jun You	11/11	1/1
Mr. Deng Li Ming	11/11	1/1
Mr. Lei Zhi Jun	11/11	1/1
Non-Executive Directors		
Mr. Wong Hin Wing (resigned on 28 October 2025)	3/3	0/0
Independent Non-Executive Director		
Mr. Chan James	11/11	1/1
Ms. Su Ling	11/11	0/1
Mr. Wan Sze Chung (appointed on 28 October 2025)	0/0	0/0
Mr. Wong Hin Wing (resigned on 28 October 2025)	8/8	1/1

Board Diversity Policy

The Company has a board diversity policy (the “Board Diversity Policy”) whereby it recognises and embraces the benefits of a diversity of Board members. It endeavors to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The Board comprises of nine Directors including six executive Directors and three independent non-executive Directors, and, amongst them, 1 member is female and 8 are male. The Board shall continue to maintain the gender diversity among the Board members.

For the year ended 31 December 2025, the Company maintained an effective Board comprising members of different genders, professional background and industry experience. The Board Diversity Policy was consistently implemented. As at the date of this report, the Board consists of one female and eight male Directors. The Board considers that the gender diversity in respect of the Board taking into account the business model and specific needs of the Company is satisfactory.

The Group has also taken, and continues to take, steps to promote diversity at all levels of its workforce. Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. Currently, the male to female ratio in the workforce of the Board and Senior Management is approximately 75%:25% while the male to female ratio in the workforce of the Group including Senior Management is approximately 69%/31%. The Board considers that the gender diversity in workforce is currently achieved.

Chairman and Chief Executive Officer

The roles and duties of the chairman and the chief executive officer of the Company are carried out by different individuals to achieve a balance of authority and power, which is in compliance with the code provision C.2.1 of the Code.

The chairman and co-chairman of the Board are Mr. Liang Ronald and Mr. Liu Jiang Tao respectively, who provide leadership for the Board and oversee the functioning of the Board and ensuring that the Board acts in the best interests of the Group and Board meetings are planned and conducted effectively. The chairman and co-chairman are primarily responsible for approving the agenda for each Board meeting, taking into account, where appropriate, matters proposed by other Directors for inclusion in the agenda. With the support of the company secretary and other senior management, the chairman and co-chairman seek to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information in a timely manner. The chairman and co-chairman also actively encourages Directors to fully engage in the Board's affairs and make contribution to the Board's functions.

The chief executive officer is Mr. Fu Chin Shing, who is in charge of the day-to-day management and operations of the Company and focuses on implementing objectives, policies and strategies approved and delegated by the Board.

Appointments, Re-Election and Removal of Directors

The current articles of association of the Company (the "Articles") provide that subject to the manner of retirement by rotation of directors as from time to time prescribed by the Listing Rules, at each annual general meeting, one-third of the directors for the time being shall retire from office by rotation and that every director shall be subject to retirement by rotation at least once every 3 years.

Independent non-executive Directors are appointed for a specific term subject to retirement by rotation and re-election in accordance with the Articles. Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change that may affect his/her independence and must provide an annual confirmation of his/her independence to the Company.

The Board recommended the re-appointment of the retiring Directors standing for re-election at the forthcoming AGM. Details of the information of the retiring Directors standing for re-election are set out in the circular accompanying the notice of the AGM.

Independent Non-Executive Directors

In compliance with Rule 3.10 of the Listing Rules, the Company has appointed three independent non-executive Directors, one of whom possesses the appropriate professional qualifications in accounting and financial management. Each of the three independent non-executive Directors has confirmed his/her independence of the Company and the Company considers each of them to be independent in accordance with the guidelines of assessing independence as set out in Rule 3.13 of the Listing Rules. Each of the three independent non-executive Directors has signed a letter of appointment with the Company for a specific term of three years.

Continuing Professional Development

The Directors are aware of the requirement under code provision C.1.4 of the Code regarding continuous professional development. During the year, the Company had arranged a training session to all Directors in relation to director's duties which was conducted by an external professional firm. In addition, the Directors also reviewed the reading materials related to corporate governance and regulations that provided to them concerning latest developments in corporate governance practices and relevant legal and regulatory developments. All Directors provided the Company a record of training they received in 2025.

Directors' and Officers' Insurance

Appropriate insurance covers on Directors' and officers' liabilities have been in force to protect the Directors and officers of the Group from their risk exposure arising from the business of the Group.

Board Committees

The Board has established four committees, namely the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee"), the nomination committee (the "Nomination Committee") and the investment committee (the "Investment Committee"), to oversee particular aspects of the affairs of the Company. Their respective terms of reference are set out in the website of the Company.

Audit Committee

The Company has established the Audit Committee on 5 December 2013 with terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules, and paragraphs A.2.1 and D.3.3 of the Code. The primary duties of the Audit Committee include, among other things, reviewing and supervising the financial reporting process and internal control systems, as well as the overall risk management of the Group, reviewing the consolidated financial statements and the interim and annual reports of the Group, reviewing the terms of engagement and scope of audit work of the external auditors, and performing the corporate governance function.

As at the date of this report, the composition of the Audit Committee is as follows:

Mr. Wan Sze Chung (Chairman)
Mr. Chan James
Ms. Su Ling

The members of the Audit Committee possess diversified industry experience and the chairman of the Audit Committee has appropriate professional qualifications and experience in accounting matters.

The Audit Committee has reviewed with the management of the Group the financial and accounting policies and practices adopted by the Group, its internal controls and financial reporting matters, the corporate governance procedures and practices, interim results of the Group for the period ended 30 June 2025 and the audited annual results of the Group for the year ended 31 December 2025.

According to the current terms of reference, the Audit Committee shall meet at least twice a year. Four meetings were held by the Audit Committee for the year ended 31 December 2025. The record of attendance of each member of the Audit Committee is set out as follows:

Name of member of the Audit Committee	Meeting attended/ eligible to attend
Mr. Wan Sze Chung (appointed on 28 October 2025)	0/0
Mr. Chan James	4/4
Ms. Su Ling	4/4
Mr. Wong Hin Wing (resigned on 28 October 2025)	4/4

Remuneration Committee

The Company has established the Remuneration Committee on 5 December 2013 with terms of reference in compliance with paragraph E.1.2 of the Code. The primary duties of the Remuneration Committee include, among other things, formulating and making recommendations to the Board on the remuneration policy, determining the specific remuneration packages of all executive Directors and senior management and making recommendations to the Board on the remuneration of independent non-executive Directors.

As at the date of this report, the composition of the Remuneration Committee is as follows:

Mr. Chan James (Chairman)
Mr. Fu Chin Shing
Mr. Wan Sze Chung

The work performed by the Remuneration Committee during the year ended 31 December 2025 comprises: (1) reviewed the remuneration of Directors and senior management of the Group; and (2) assessed and approved the terms of executive Directors' service contracts.

Three meetings were held by the Remuneration Committee for the year ended 31 December 2025 and the record of attendance of each member of the Remuneration Committee is set out as follows:

Name of member of the Remuneration Committee	Meeting attended/ eligible to attend
Mr. Chan James	3/3
Mr. Fu Chin Shing	3/3
Mr. Wan Sze Chung (appointed on 28 October 2025)	0/0
Mr. Wong Hin Wing (resigned on 28 October 2025)	3/3

Nomination Committee

The Company has established the Nomination Committee on 5 December 2013 with terms of reference in compliance with paragraph B.3.1 of the Code. The primary duties of the Nomination Committee include reviewing the structure, size and composition of the Board, identifying and nominating Directors and making recommendations to the Board on appointment and re-appointment of Directors.

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance in compliance with the Code.

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and experience. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

As at the date of this report, the composition of the Nomination Committee is as follows:

Mr. Liang Ronald (Chairman)
 Mr. Lei Zhi Jun
 Mr. Chan James
 Ms. Su Ling
 Mr. Wan Sze Chung

The work performed by the Nomination Committee during the year ended 31 December 2025 comprises: (1) to assess the independence of each independent non-executive Director; (2) to review the structure, size and composition of the Board; and (3) to make the recommendation of re-election of retiring Directors to the Board.

Four meetings were held by the Nomination Committee for the year ended 31 December 2025 and the record of attendance of each member of the Nomination Committee is set out as follows:

Name of member of the Nomination Committee	Meeting attended/ eligible to attend
Mr. Liang Ronald	4/4
Mr. Lei Zhi Jun	4/4
Mr. Chan James	4/4
Mr. Wan Sze Chung (appointed on 28 October 2025)	0/0
Ms. Su Ling	4/4
Mr. Wong Hin Wing (resigned on 28 October 2025)	4/4

Investment Committee

The Company has established the Investment Committee on 11 May 2017 with terms of reference adopted on 29 August 2017. The major duties of the Investment Committee include reviewing and assessing major investment plans and transactions (including but not limited to acquisitions and disposals, etc.) of the Group; expressing opinions and recommendations to the Board; and taking up any other responsibilities assigned by the Board.

As at the date of this report, the composition of the Investment Committee is as follows:

Mr. Liu Jiang Tao (Chairman)
 Mr. Liang Ronald
 Mr. Fu Chin Shing
 Mr. Wang Jun You
 Mr. Lei Zhi Jun

CORPORATE GOVERNANCE REPORT (Continued)

Two meetings were held by the Investment Committee for the year ended 31 December 2025 and the record of attendance of each member of the Investment Committee is set out as follows:

Name of member of the Investment Committee	Meeting attended/ eligible to attend
Mr. Liu Jiang Tao	2/2
Mr. Liang Ronald	2/2
Mr. Fu Chin Shing	2/2
Mr. Wang Jun You	2/2
Mr. Lei Zhi Jun	2/2

Company Secretary

Ms. Yu Wing Sze was appointed as the company secretary of the Company on 5 December 2013. She has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants since 2003. She was admitted as a member and a fellow of the Association of Chartered Certified Accountants in November 2001 and December 2006, respectively.

For the year ended 31 December 2025, she has undertaken not less than 15 hours of relevant professional training in accordance with Rule 3.29 of the Listing Rules.

(D) FINANCIAL REPORTING AND INTERNAL CONTROL

Financial Reporting

The management provides such explanation and information to the Board and reports regularly to the Board on financial position and prospects of the business of the Company so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibilities (as set out in the Independent Auditor's Report) for preparing the financial statements of the Group that give a true and fair view of the state of affairs of the Group. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the ability to continue as a going concern of the Group and the Board has prepared the financial statements on a going concern basis. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the Shareholders. A statement by auditor about their reporting responsibility is set out in the Independent Auditor's Report.

Risk Management and Internal Control

The Board is responsible for the internal control system and risk management procedures and for reviewing the effectiveness of the internal control of the Company. The system of internal control aims to help achieving the Group's business objectives, adequacy of resources, sustainability, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

The Group is committed to the identification, monitoring and management of risks associated with its business activities. The internal control system of the Group is designed to provide reasonable assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfillment of business objective.

The Board has overall responsibility to review and maintain a sound and effective internal control and risk management. The senior management is delegated to design and implement systems that manage risks and facilitate internal control, and to report to the Board and Audit Committee on risk exposures and mitigation plans. The senior management also updates and enhances the risk management and internal control system in response to the changes to the business environment of regulatory guidelines.

Business departments and senior management convene meetings on a regular basis to evaluate and review potential risks across different levels of project operations. Proactive preventions and risk mitigation plans will be designed and implemented following such meetings. Senior management will meet periodically to assess and enhance risk control qualities on finance, IT and talent retention, among other issues.

The Group is committed to maintaining and upholding good corporate governance practice and internal control systems. The Board is delegated to a team responsible for internal control of the Group and for reviewing its effectiveness. To enhance the credibility of internal control, the Group has implemented ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System which map out a framework for the Group to follow in setting up an effective quality and environmental management system. These systems aim for process approach and continuous improvement as well as provide a clear and established procedure to the Group both for project management and daily office operation.

According to the requirement of these systems, regular internal and external audit will be conducted to ensure the Group adheres to quality and environmental policy and procedures in its daily operation. The Group currently appoint Hong Kong Quality Assurance Agency to conduct the external audit in addition to an internal audit conducted by trained office staff. An independent audit report on the company-wide management system will be presented to the senior management for review and discussion if any.

The Board has reviewed the effectiveness of the internal controls of the Group and concluded that in general, the internal control system of the Group is effective and adequate, no material deficiencies has been identified.

Whistleblowing Policy

The Board adopted a whistleblowing policy (the "Whistleblowing Policy") in March 2022. The purpose of the Whistleblowing Policy is to encourage employees of the Group and related third parties to raise concerns, in confidence, about misconduct, malpractice or irregularities in any matters in relation to the Group.

The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the Compliance Department and the Audit Committee of the Group. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations for the year ended 31 December 2025 has been discovered. The Whistleblowing Policy is reviewed periodically to ensure its effectiveness.

Anti-corruption Policy

The Board adopted an anti-corruption policy (the "Anti-corruption Policy") in March 2022. The Group is committed to upholding high standard of business integrity, honesty and transparency in all its business dealings. The Anti-corruption Policy sets out the specific behavioural guidelines that the Group's personnel and business partners must follow to combat corruption. It demonstrates the Group's commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. In line with this commitment and to ensure transparency in the Group's practices, the Anti-corruption Policy has been prepared as a guide to all Group employees and third parties dealing with the Group.

The Anti-corruption Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

Disclosure of Inside Information

The Group acknowledges its responsibilities under the Securities and Futures Ordinance (“SFO”) (Chapter 571 of the Laws of Hong Kong) and the Listing Rules that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and disseminating inside information are as follows:

- the Group conducts its affairs with strict compliance with the disclosure requirement under the Listing Rules and the “Guideline on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong;
- the Group has implemented its policy on fair disclosure by pursuing board, non-exclusive distribution of information to the public through channels such as financial reporting, public announcement and its website; and
- the Group has strictly prohibited any unauthorised use of confidential or inside information.

Auditor’s Remuneration

The remuneration in respect of the services provided by the independent auditors of the Company for the Group for the years ended 31 December 2025 and 2024 respectively are analysed as follows:

Services rendered	Fees paid/payable	
	2025 HK\$’000	2024 HK\$’000
Audit services	960	1,280
Non-audit services	90	147
	1,050	1,427

Annual Remuneration Payable to the Members of Senior Management

Pursuant to the provision E.1.5 of the CG Code and Appendix D2 of the Listing Rules, the annual remuneration of the members of the senior management except the Directors by band for the Reporting Period is as follows:

Remuneration Band	Number of Senior Management
Nil – HK\$1,000,000	1
HK\$1,000,001 – HK\$2,000,000	4
HK\$2,000,001 – HK\$3,000,000	2

Further details of the Directors’ remuneration and the five highest paid employees required to be disclosed under Appendix D2 of the Listing Rules are set out in note 8 to the consolidated financial statements.

(E) SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("EGM").

Right to convene extraordinary general meeting

Any one or more members holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition sent to the Company's principal office as set out in the manner below, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposited with to the Board or the company secretary of the Company at the Company's principal place of business in Hong Kong at 15th Floor, North Tower, World Finance Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong, and such may consist of several documents in like form, each signed by one or more requisitionist(s).

The request will be verified with the Company's branch share registrars in Hong Kong and upon their confirmation that the request is proper and in order, the company secretary of the Company will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the registered members. On the contrary, if the request which has been verified is not in order, the Shareholders will be advised of this outcome and accordingly, an EGM will not be convened as requested. If within twenty-one days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s), may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed by the Company to the requisitionist(s).

The notice period to be given to all the registered members for consideration of the proposal raised by the requisitionist(s) concerned at the EGM is at least 14 clear days' notice in writing.

Right to put enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries shall be first directed to the company secretary of the Company at the Company's principal place of business in Hong Kong at 15th Floor, North Tower, World Finance Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong.

Right to put forward proposals at general meetings

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Company Law (2011 Revision). However, Shareholders are requested to follow Article 58 of the Articles for including a resolution at an EGM. The requirements and procedures are set out above. Pursuant to Article 85 of the Articles, no person other than a director retiring at the meeting shall, unless recommended by the directors for election, be eligible for election as a director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registration office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules. The procedures for Shareholders to propose a person for election as Director is posted on the Company's website.

CORPORATE GOVERNANCE REPORT (Continued)

Dividend policy

The Company has adopted a dividend policy, pursuant to which the Company may declare dividends recommended by the Board to the Shareholders.

The declaration of dividends is subject to the discretion of the Board, and the amounts of dividends actually declared and paid will depend on the following factors:

- the actual and expected financial performance of the Group;
- retained earnings and distributable reserves of the Company and each of the other members of the Group;
- economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
- business strategies of the Group, including future cash commitments and investment needs to sustain the long-term growth aspect of the business;
- the current and future operations, liquidity position and capital requirements of the Group;
- statutory and regulatory restrictions; and
- other factors that the Board deems appropriate

The declaration and payment of dividend by the Company is subject to the Cayman Islands Companies Law and the Articles.

(F) COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Board recognises the importance of good communications with all Shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to its Shareholders and investment public.

“Corporate Communication” refers to any documents issued or to be issued by the Company for the information or action of holders of any of its securities, including, but not limited to, the directors’ report and annual accounts together with a copy of the auditor’s report, interim report, notice of meeting, circular and proxy form. Both English and Chinese versions of Corporate Communication will be provided to Shareholders by electronic means through the websites of the Company at www.cchengholdings.com (the “Corporate Website”) and The Stock Exchange of Hong Kong Limited at www.hkexnews.hk.

The Company updates its Shareholders on its latest business developments and financial performance through its annual and interim reports. Members of the Board and of the various board committees will attend the annual general meeting of the Company and answer questions raised during the meeting. A dedicated Investor Relations section is available in the Corporate Website at <https://www.cchengholdings.com/en/CorporateInformation.aspx>, which provides an effective communication platform to the public and the Shareholders.

(G) CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2025, there had been no significant change in the constitutional documents of the Company.



DIRECTORS' REPORT





DIRECTORS' REPORT

The Directors present their annual report and the audited consolidated financial statements of the Company for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services. The activities of its principal subsidiaries are set out in Note 1 to the consolidated financial statements. There were no significant changes to the principal activities of the Group during the current year.

DIVIDENDS

The results of the Group for the year ended 31 December 2025 and the Group's financial position at that date are set out in the Group's consolidated financial statements on pages 93 to 167.

The Board has resolved not to recommend the payment of any dividend in respect of the year ended 31 December 2025 (2024: Nil).

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2025 required by Schedule 5 to the Hong Kong Companies Ordinance is set out in the section headed "Management Discussion and Analysis" on pages 12 to 23 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to be an environmentally-friendly corporation and the subsidiaries of the Group are knowledge-based and IT consultancy firms focusing on the design of different types of built environment and customer-centric enterprise solutions. Its physical operations are primarily office based with minimal environmental impact. Details have been set out in the section headed "A. Environmental Performance" in the Environmental, Social and Governance Report on pages 37 to 43 of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The operations of the Group are mainly carried out by the subsidiaries of the Company in Chinese Mainland, Hong Kong and the Middle East and North Africa ("MENA") while the Company itself is listed on the Stock Exchange in Hong Kong. Our establishment and operations accordingly shall comply with relevant laws and regulations in Chinese Mainland, Hong Kong and MENA. During the year ended 31 December 2025 and up to the date of this annual report, we have complied with all the relevant laws and regulations in Chinese Mainland, Hong Kong and MENA.

CORPORATE GOVERNANCE CODE

Save as disclosed in the Corporate Governance Report on pages 61 to 62, the Company had complied with all other applicable code provisions as set out in the Code during the year ended 31 December 2025 and up to the date of this annual report.

The details of the compliance with the Code of the Group is set out in the Corporate Governance Report from pages 60 to 73 of this annual report.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Human resources are one of the most valuable assets of the Group. The Group also offers competitive remuneration packages to employees. Details of the "Employment and Labour Practices" are set out in the section headed "B. Social Performance" in the Environmental, Social and Governance Report on pages 44 to 57 of this annual report.

The Group is committed to maintain a good relationship with its customers. We are committed to offer a broad and diverse range of inspiring, value-for-money, good quality designs and tailor-made solutions to our customers.

The Group maintains a fair, safe and ethical approach in its day-to-day operation towards its numerous and diversified contractors and suppliers. To comply with the laws and regulations of its operating countries intensity, the Group has established stringent internal controls to procuring goods and services through fair and unbiased tender process. The selection of subcontractors and suppliers will be based on competitive pricing, meet specifications and standards, product and service quality as well as service support.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 168 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2025 are set out in Note 12 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in Note 28 to the consolidated financial statements.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 97 of this annual report.

DISTRIBUTABLE RESERVES

The Directors consider that the Company's reserves available for distribution to Shareholders comprise the share premium and the retained earnings which amounted to HK\$314,003,000 (2024: HK\$267,621,000). Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to Shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution of dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

DIRECTORS

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

Executive Directors

Mr. Liang Ronald (Chairman)
Mr. Liu Jiang Tao (Co-chairman)
Mr. Fu Chin Shing (Chief Executive Officer)
Mr. Wang Jun You
Mr. Deng Li Ming
Mr. Lei Zhi Jun

Independent non-executive Directors

Mr. Chan James
Ms. Su Ling
Mr. Wan Sze Chung

Pursuant to Article 84(1) of the Articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation and shall be eligible for re-election. Every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Pursuant to Article 83(3) of the Articles, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

In accordance with the provisions of the Articles, Mr. Liang Ronald, Mr. Wang Jun You, Ms. Su Ling and Mr. Wan Sze Chung will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for a period of three years and will continue thereafter until termination in accordance with the terms of the agreement.

Each of the independent non-executive Directors has entered into an appointment letter with the Company for a term of three years, subject to retirement by rotation and re-election at annual general meeting and until terminated by not less than one month's notice in writing served by either party on the other.

No Director proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Hong Kong Companies Ordinance when this report prepared by the Directors is approved in accordance with section 391(1)(a)/469(2) of the Hong Kong Companies Ordinance.

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

Save as disclosed below, as at 31 December 2025, so far as it is known by or otherwise notified by any Director or the chief executive of the Company, the particulars of the corporations or individuals (other than a Director or chief executive of the Company) who had or were deemed or taken to have an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions in the shares of the Company:

Name of Shareholder	Name of the company in which interest is held	Capacity	Total number of ordinary shares	Long/short position	Approximate percentage of total issued share capital in the Company
Beijing Enterprises Group Company Limited	The Company	Interest in a controlled corporation ^(Note 1)	119,210,670	Long	27.57%
Beijing General Municipal Engineering Design & Research Institute Co., Ltd. ("BMEDI")	The Company	Interest in a controlled corporation ^(Note 1)	119,210,670	Long	27.57%
Beijing Design Group Company Limited	The Company	Beneficial owner ^(Note 1)	119,210,670	Long	27.57%
Rainbow Path International Limited	The Company	Beneficial owner ^(Note 2)	93,297,000	Long	21.58%

DIRECTORS' REPORT (Continued)

Name of Shareholder	Name of the company in which interest is held	Capacity	Total number of ordinary shares	Long/short position	Approximate percentage of total issued share capital in the Company
Veteran Ventures Limited	The Company	Beneficial owner ^(Note 2)	10,800,000	Long	2.50%
Vivid Colour Limited	The Company	Beneficial owner ^(Note 3)	38,493,000	Long	8.90%
Jun Ming Investments Limited	The Company	Beneficial owner ^(Note 4)	19,410,000	Long	4.48%
Liang Sharon	The Company	Interest of spouse ^(Note 5)	119,880,000	Long	27.72%
Chung Wai Chi, Connie	The Company	Interest of spouse ^(Note 6)	51,579,000	Long	11.93%
		Beneficial owner	447,000	Long	0.10%
Li Min	The Company	Interest of spouse ^(Note 7)	21,585,000	Long	4.99%
	The Company	Beneficial owner	250,000	Long	0.06%

Notes:

1. Beijing Design Group Company Limited is 100% owned by BMEDI and BMEDI is 100% owned by Beijing Enterprises Group Company Limited.
2. Rainbow Path International Limited and Veteran Ventures Limited are 100% owned by Mr. Liang Ronald.
3. Vivid Colour Limited is 100% owned by Mr. Fu Chin Shing.
4. Jun Ming Investments Limited is 100% owned by Mr. Wang Jun You.
5. Ms. Liang Sharon, being spouse of Mr. Liang Ronald, is deemed to be interested in the 119,880,000 shares held by Mr. Liang Ronald under the SFO.
6. Ms. Chung Wai Chi, Connie, being spouse of Mr. Fu Chin Shing, is deemed to be interested in the 51,579,000 shares held by Mr. Fu Chin Shing under the SFO.
7. Ms. Li Min, being spouse of Mr. Wang Jun You, is deemed to be interested in the 21,585,000 shares held by Mr. Wang Jun You under the SFO.

Save as disclosed above, as at 31 December 2025, the Directors are not aware of any other corporation or individual (other than a Director or the chief executive of the Company) who had, or were deemed or taken to have, any interests or short positions in any shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were as recorded in the register required to be kept under section 336 of the SFO.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2025, the interests and short positions of the Directors and the chief executive in the shares and underlying shares of the Company and its associated corporations (within the meaning of the SFO), as recorded in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(1) Long positions

Name of Director	Company/name of associated company	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
Liang Ronald	The Company	Interest in a controlled corporation	104,097,000	24.07%
	The Company	Beneficial interest	15,783,000	3.65%
Fu Chin Shing	The Company	Interest in a controlled corporation	38,493,000	8.90%
	The Company	Beneficial interest	13,086,000	3.03%
	The Company	Interest of spouse	447,000	0.10%
Wang Jun You	The Company	Interest in a controlled corporation	19,410,000	4.49%
	The Company	Beneficial interest	2,175,000	0.50%
	The Company	Interest of spouse	250,000	0.06%
Deng Li Ming	The Company	Beneficial interest	4,980,000	1.15%

(2) Short positions

Save as disclosed above, as at 31 December 2025, none of the Directors nor chief executive had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange under the Model Code.

SHARE OPTION SCHEME

Particulars of the Company's Share Option Scheme are set out in Note 29 to the consolidated financial statements.

The Company's share option scheme was adopted on 5 December 2013 (the "2013 Share Option Scheme") and expired in December 2023. It was adopted to provide incentive or reward to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest.

DIRECTORS' REPORT (Continued)

Under the 2013 Share Option Scheme, the Board might, at its discretion, offer Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of the Group and any suppliers, customers, advisers, consultants, business partners, joint venture business partners, invested entities, service providers of any member of the Group who would contribute or have contributed to the Group, share options to subscribe for such number of new Shares as the Board determined at an exercise price determined in accordance with the terms of the 2013 Share Option Scheme.

Following the expiry of the 2013 Share Option Scheme on 5 December 2023 ("Expiry"), no further share option can be granted, but the provisions of the 2013 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted prior thereto. Share options complying with the provisions of the Listing Rules which were granted prior to the Expiry of the 2013 Share Option Scheme and remain unexercised immediately prior to Expiry shall continue to be exercisable in accordance with the 2013 Share Option Scheme.

Cancellation of share options

As approved by the Board (including the approval of the independent non-executive Directors) and with the consent of the relevant grantees, all the 22,100,000 outstanding share options (the "Cancelled Share Options") granted to the Directors and certain senior management and other employees of the Group were cancelled with effect from 29 April 2025 in accordance with the terms of the 2013 Share Option Scheme. For further details of the Cancelled Share Options, please refer to the announcement of the Company dated 29 April 2025.

The movement during the six months ended 31 December 2025 and the options outstanding as at 31 December 2025 were as follows:

Share Option Scheme

Category of grantees	Date of grant	Exercise Price per share	As at 1 January 2025	Granted during the year	Exercised during the year	Cancelled during the year	As at 31 December 2025	Exercise period
Executive Directors								
– Liang Ronald	1/11/2018	HK\$2.334	3,500,000	–	–	(3,500,000)	–	(Note 1)
	23/12/2020	HK\$0.88	5,000,000	–	–	(5,000,000)	–	(Note 2)
– Fu Chin Shing	1/11/2018	HK\$2.334	2,800,000	–	–	(2,800,000)	–	(Note 1)
	23/12/2020	HK\$0.88	3,500,000	–	–	(3,500,000)	–	(Note 2)
– Wang Jun You	23/12/2020	HK\$0.88	2,800,000	–	–	(2,800,000)	–	(Note 2)
Senior management and other employees	23/12/2020	HK\$0.88	4,500,000	–	–	(4,500,000)	–	(Note 2)
			22,100,000	–	–	(22,100,000)	–	

Note 1: The exercise period of the share options were from 1 November 2023 to 31 October 2025 (both dates inclusive).

Note 2: The exercise period of the share options were from 23 December 2023 to 22 December 2025 (both dates inclusive).

All the unexercised share options were cancelled with effect from 29 April 2025 in accordance with the terms of the 2013 Share Options Scheme. As at the date of this report, nil shares are issuable for options granted and are available for issue under the 2013 Share Option Scheme, representing 0% of the total number of issued shares at that date.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the option holdings disclosed above, at no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements 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.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance that is significant in relation to the business of the Group to which the Company or any of its subsidiaries was a party and in which a person who at any time was a Director or his connected entity had, directly or indirectly, a material interest subsisted at any time during the year or at the end of 2025.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors, the controlling Shareholders and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the year ended 31 December 2025, as required to be disclosed under Rule 8.10(2) of the Listing Rules.

MANAGEMENT CONTRACT

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

CONNECTED TRANSACTIONS

The Company had not entered into any connected transaction during the year ended 31 December 2025 which is required to be disclosed in accordance with Chapter 14A of the Listing Rules. Related party transactions entered into by the Group during the year ended 31 December 2025, which constitute fully exempt continuing connected transactions under Chapter 14A of the Listing Rules are disclosed in note 34 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

SUFFICIENCY OF PUBLIC FLOAT

From publicly available information and as far as the Directors are aware, the Company has maintained a sufficient public float (at least 25% of the issued Shares are held by the public) throughout the year ended 31 December 2025 and has continued to maintain such a float as at the date of this annual report.

CHARITABLE DONATIONS

During the year, there was no charitable and other donations (2024: HK\$13,000).

EMOLUMENT POLICY

The emolument policy for the employees of the Group is determined with reference to market terms and the performance, qualifications and experience of the individual employee.

The emoluments of the Directors are decided by the Board after recommendation from the Remuneration Committee, having considered the factors such as the Group's financial performance, the achievement of special targets and the individual performance of the Directors, etc.

MAJOR CLIENTS AND SUPPLIERS

For the year ended 31 December 2025, the aggregate revenue attributable to the five largest clients of the Group represented approximately 28.6% of the total revenue of the Group. The revenue attributable to the largest client of the Group represented approximately 9.6% of the total revenue of the Group for the same period.

For the year ended 31 December 2025, the aggregate sub-consultancy fee paid to the five largest suppliers of the Group represented approximately 5.4% of the total costs of services of the Group. The sub-consultancy fee to the largest supplier of the Group represented approximately 1.9% of the total costs of the Group for the same period.

None of the Directors nor any of their close associates nor any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the number of issued shares of the Company) had any beneficial interest in the Group's five largest clients and/or five largest suppliers during the year.

EVENTS AFTER THE REPORTING PERIOD

There is no significant event has been taken place after the reporting period.

AUDITOR

The Consolidated Financial Statements for the year ended 31 December 2025 have been audited by ZHONGHUI ANDA CPA Limited who would retire at the 2026 AGM and, being eligible offer themselves for re-appointment. A resolution to re-appoint ZHONGHUI ANDA CPA Limited as the auditor of the Company and authorise the Board to fix their remuneration will be proposed at the 2026 AGM.

Ernst & Young ("EY") has resigned as auditor of the Company with effect from 15 July 2025 and ZHONGHUI ANDA CPA Limited ("ZHONGHUI") has been appointed as auditor of the Company to fill the casual vacancy following the resignation of EY. Save as disclosed herein, the Company has not changed in its auditor in any of the preceding three years.

On behalf of the Board

Mr. Liang Ronald

CHAIRMAN

26 March 2026



INDEPENDENT AUDITOR'S REPORT





INDEPENDENT AUDITOR'S REPORT



To the shareholders of C Cheng Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of C Cheng Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 93 to 167, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKASAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Revenue recognition from contracts with customers</i></p> <p>Refer to Notes 3, 4 and 5 to the consolidated financial statements</p> <p>The Group had revenue from contracts with customers of HK\$364,533,000 for the year ended 31 December 2025, which is material to the consolidated financial statements. It was recognised over time using an input method, based on costs incurred representing the progress towards complete satisfaction of the comprehensive architectural services which involves significant management judgement and estimation, in particular the costs to completion. The Group reviews and revises the estimates of both contract revenue and contract costs in the budget prepared for each contract as the contract progresses.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> – Understanding the management processes relating to recognition of contract revenue and contract costs, and budget estimation; – Understanding from the Group about the contract terms, performance and status of selected contracts and reviewing the terms of selected contracts to evaluate the basis of estimation of the contract costs, and contract costs of the projects incurred for work performed to date; – Checking the estimated budget costs for selected projects taking into account the historical accuracy of estimated budget costs; – Checking the allocation of staff costs to contracts, being the major component of contract costs, on a sample basis, by reference to the timesheet recording system and human resources records; – Performing comparisons between the percentage of completion and the percentage of progress billings on selected contracts for any significant differences; and – Checking the progress billings to invoices issued. <p>We consider that the Group's revenue recognition from contracts with customers is supported by the available evidence.</p>

INDEPENDENT AUDITOR'S REPORT (Continued)

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Impairment assessment of trade receivables and contract assets</i></p> <p>Refer to Notes 3, 20, 21 and 37 to the consolidated financial statements</p> <p>As at 31 December 2025, the carrying amounts of the Group's trade receivables and contract assets were HK\$119,026,000 and HK\$190,685,000, respectively. As at 31 December 2025, the loss allowances for trade receivables and contract assets amounted to HK\$32,677,000 and HK\$12,962,000, respectively. These balances are material to the consolidated financial statements.</p> <p>Management's assessment of the expected credit loss(es) ("ECL(s)") involves significant judgement and estimates for the amount of lifetime ECL of trade receivables and contract assets based on provision matrix through grouping of various debtors with similar loss patterns, similar credit rating, ageing and past due status. Estimated loss rates are based on historical observed default rates over the expected life of debtors and adjusted for forward-looking information. In addition, trade receivables that are credit impaired are assessed for ECLs individually.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none">– Understanding the management process in estimation of ECLs and the methodology for ECL model adopted by the Group;– Checking the mathematical accuracy of information used by management in developing the provision matrix on a sample basis and assessing management's assumptions and inputs in the ECL model by considering the historical customer payment behaviours, and basis of estimated loss rates applied in each category in the provision with reference to the historical default rate and forward-looking information;– Checking the estimated budget costs for selected projects taking into account the historical accuracy of estimated budget costs;– Assessing management's basis and judgement in identifying the credit impaired trade receivables; and– Assessing the adequacy of disclosures on impairment assessment of trade receivables and contract assets. <p>We consider that the Group's impairment assessment of trade receivables and contract assets is supported by the available evidence.</p>

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:

<https://www.hkicpa.org.hk/en/Standards-setting/Standards/Our-views/auditre>

This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Lee Chi Sum

Audit Engagement Director

Practising Certificate Number P08391

Hong Kong, 26 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	4, 5	364,533	401,303
Cost of services		(304,891)	(339,060)
Gross profit		59,642	62,243
Other income and gains, net	5	58,461	2,747
Gain on fair value changes of financial assets at fair value through profit or loss		2,546	1,768
Impairment losses on financial, contract and other assets, net	7	(29,111)	(3,385)
Administrative expenses		(65,955)	(74,971)
Share of loss of a joint venture		(15)	(27)
Share of profits of associates		9,948	3,234
Finance costs	6	(5,824)	(6,913)
Profit/(loss) before tax	7	29,692	(15,304)
Income tax (expense)/credit	9	(2,561)	885
Profit/(loss) for the year		27,131	(14,419)
OTHER COMPREHENSIVE INCOME/(LOSS)			
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		5,365	(4,513)
Release of exchange reserve upon disposal of a subsidiary		3	–
Other comprehensive income/(loss) for the year, net of tax		5,368	(4,513)
Total comprehensive income/(loss) for the year		32,499	(18,932)
Profit/(loss) for the year attributable to:			
Owners of the Company		26,427	(14,851)
Non-controlling interests		704	432
		27,131	(14,419)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

	Note	2025 HK\$'000	2024 HK\$'000
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		31,795	(19,364)
Non-controlling interests		704	432
		32,499	(18,932)
Profit/(loss) per share attributable to owners of the Company			
Basic and diluted (HK cents)	10		(Restated)
– For profit/(loss) for the year		6.56	(4.03)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	12	75,818	15,551
Goodwill	14	4,242	4,151
Intangible assets	15	–	280
Investment in a joint venture	16	–	2,656
Investments in associates	17	111,716	101,763
Prepayments and deposits	19	9,725	11,823
Deferred tax assets	27	13,464	15,226
Total non-current assets		214,965	151,450
Current assets			
Trade receivables	20	119,026	133,039
Contract assets	21	190,685	217,626
Financial assets at fair value through profit or loss	18	8,075	7,979
Prepayments, deposits, other receivables and other assets	19	27,620	30,696
Restricted bank balance	22	1,728	4,492
Cash and bank balances	22	113,649	74,603
Total current assets		460,783	468,435
Current liabilities			
Trade payables	23	32,601	28,984
Other payables and accruals	24	50,441	33,297
Contract liabilities	25	46,505	57,588
Interest-bearing bank borrowings	26	80,000	85,000
Other interest-bearing borrowings	26	277	1,603
Lease liabilities	13	8,778	8,405
Tax payable		135	110
Total current liabilities		218,737	214,987
Net current assets		242,046	253,448
Total assets less current liabilities		457,011	404,898

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Other interest-bearing borrowings	26	49	363
Provision for reinstatement costs	24(b)	560	2,160
Lease liabilities	13	9,038	2,156
Deferred tax liabilities	27	771	1,156
Total non-current liabilities		10,418	5,835
Net assets			
Equity			
Issued capital	28	4,324	2,883
Reserves		437,654	393,524
Equity attributable to owners of the Company		441,978	396,407
Non-controlling interests		4,615	2,656
Total equity		446,593	399,063

Mr. Liang Ronald
DIRECTOR

Mr. Fu Chin Shing
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company									
	Issued capital HK\$'000	Share premium HK\$'000	Statutory reserve in Chinese Mainland HK\$'000 (Note a)	Share option reserve HK\$'000	Other reserve HK\$'000 (Note b)	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2024	2,883	283,501*	10,593*	24,713*	(47,359)*	(12,008)*	153,448*	415,771	2,224	417,995
Profit/(loss) for the year	-	-	-	-	-	-	(14,851)	(14,851)	432	(14,419)
Other comprehensive loss for the year:										
Exchange differences related to foreign operations	-	-	-	-	-	(4,513)	-	(4,513)	-	(4,513)
Total comprehensive (loss)/income for the year	-	-	-	-	-	(4,513)	(14,851)	(19,364)	432	(18,932)
Transfer of share option reserve to retained profits	-	-	-	(15,727)	-	-	15,727	-	-	-
At 31 December 2024 and 1 January 2025	2,883	283,501*	10,593*	8,986*	(47,359)*	(16,521)*	154,324*	396,407	2,656	399,063
Profit for the year	-	-	-	-	-	-	26,427	26,427	704	27,131
Other comprehensive income for the year:										
Exchange differences related to foreign operations	-	-	-	-	-	5,365	-	5,365	-	5,365
Release of exchange reserve upon disposal of a subsidiary (note 30)	-	-	-	-	-	3	-	3	-	3
Total comprehensive income for the year	-	-	-	-	-	5,368	26,427	31,795	704	32,499
Issue of share upon right issue, net of share issue costs	1,441	12,335	-	-	-	-	-	13,776	-	13,776
Cancellation of share options	-	-	-	(8,986)	-	-	8,986	-	-	-
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	657	657
Deregistration of a subsidiary	-	-	-	-	-	-	-	-	598	598
At 31 December 2025	4,324	295,836*	10,593*	-*	(47,359)*	(11,153)*	189,737*	441,978	4,615	446,593

* These reserve accounts comprise the consolidated reserves of HK\$437,654,000 (2024: HK\$393,524,000) in the consolidated statement of financial position.

Notes:

- (a) The statutory reserve in Chinese Mainland is non-distributable and the transfer to this reserve is determined by the board of directors of the subsidiaries established in Chinese Mainland in accordance with the relevant laws and regulations of Chinese Mainland. According to the relevant rules and regulations in Chinese Mainland applicable to wholly-foreign-owned enterprises, a wholly-foreign-owned enterprise is required to transfer at least 10% of its profit after taxation, as determined under the PRC Accounting Regulations, to a reserve fund until the reserve fund balance reaches 50% of the relevant enterprise's registered capital. This reserve can be used to offset accumulated losses or to increase capital upon approval from the relevant authorities.
- (b) The balance mainly represents the debit reserve of HK\$53,519,000 resulting from the share swap pursuant to the group reorganisation upon initial public offering in 2013 and the credit reserve of HK\$5,120,000 resulting from recognition of equity-settled share-based payments to Mr. Wang Jun You ("Mr. Wang"), a director of the Company, in 2013.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		29,692	(15,304)
Adjustments for:			
Finance costs		5,824	6,913
Share of loss of a joint venture		15	27
Share of profits of associates		(9,948)	(3,234)
Interest income		(953)	(1,275)
Loss on disposal of property, plant and equipment	7	44	291
Loss on disposal of other assets	7	166	2,097
Exercise of right-of-use assets	5	(54,819)	–
Gain on fair value changes of financial assets at fair value through profit or loss		(2,546)	(1,768)
Depreciation		15,587	23,146
Loss on disposal of intangible assets		217	–
Gain on termination of leases		(823)	–
Loss on forfeiture of deposits due to termination of leases		353	–
Impairment losses recognised on financial, contract and other assets, net		29,111	3,385
Gain on disposal of a subsidiary	30	(5,314)	–
Write-off of prepayment and other receivables		3,728	–
Loss on deregistration of a subsidiary		352	–
Gain on deemed disposal of a joint venture		(53)	–
		10,633	14,278
(Increase)/decrease in trade receivables		(10,524)	43,634
Decrease/(increase) in contract assets		21,967	(7,722)
Increase in prepayments, deposits, other receivables and other assets		(128)	(915)
Decrease/(increase) in restricted cash		2,764	(4,492)
Increase/(decrease) in trade payables		3,743	(29)
Increase/(decrease) in other payables and accruals		23,487	(2,371)
Decrease in contract liabilities		(8,737)	(17,838)
		43,205	24,545
Cash generated from operations		43,205	24,545
Interest paid		(5,824)	(6,913)
Income taxes paid		(1,159)	(1,040)
Net cash flows from operating activities		36,222	16,592
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		953	1,275
Purchases of property, plant and equipment		(1,507)	(2,864)
Proceed from disposal of a joint venture		2,694	–
Net cash outflow from disposal of a subsidiary	30	(40)	–
Proceeds from disposal of financial assets at fair value through profit or loss		5,042	3,251
Investment in financial assets at fair value through profit or loss		(2,563)	(2,470)
Investment in an associate		–	(8,528)
Placement of pledged time deposits with original maturity of less than three months		(20,114)	–
Withdrawal of non-pledged time deposits with original maturity of over three months		21,284	22,796
Net cash flows from investing activities		5,749	13,460

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

	Notes	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		50,000	26,000
Repayment of bank loans		(55,000)	(25,000)
Repayment of other loans		(1,640)	(3,014)
Capital contribution from non-controlling interests		657	–
Proceed from issue of shares upon right issue, net of share issue costs		13,776	–
Principal portion of lease payments	31(c)	(11,475)	(19,142)
Net cash flows used in financing activities		(3,682)	(21,156)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		38,289	8,896
Cash and cash equivalents at beginning of the year			
Effect of foreign exchange rate changes, net		1,927	(1,598)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR,			
represented by cash and bank balances		93,535	53,319
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances other than time deposits	22	93,078	42,253
Time deposits	22	22,299	36,842
Less: Restricted bank balance	22	(1,728)	(4,492)
Cash and cash equivalents as stated in the statement of financial position		113,649	74,603
Less: Pledged/non-pledged time deposits placed in banks with original maturity of less than/more than three months when acquired	22	(20,114)	(21,284)
Cash and cash equivalents as stated in the statement of cash flows		93,535	53,319

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION

C Cheng Holdings Limited (the “Company”) is an exempted company incorporated in the Cayman Islands with limited liability on 13 May 2013 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and 15th Floor, North Tower World Finance Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong, respectively.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were involved in the comprehensive architectural services as the principal activities.

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place and date of incorporation/ establishment	Place of operation	Issued ordinary/ registered share capital	Percentage of equity indirectly attributable to the Company		Principal activities
				2025	2024	
LWK & Partners (HK) Limited (“LWK HK”)	Hong Kong 9 October 1995	Hong Kong	HK\$1,000,000	100%	100%	Provision of comprehensive architectural services and investment holding
梁黃顧建築設計 (深圳) 有限公司 (“LWK Architecture”)*	The People’s Republic of China 24 August 1986	Chinese Mainland	Renminbi (“RMB”) 10,000,000	100%	100%	Provision of comprehensive architectural services
L W K P ARCHITECTS	Dubai, United Arab Emirates 10 October 2019	Dubai, United Arab Emirates	United Arab Emirates Dirhams (“AED”) 300,000	100%	100%	Provision of comprehensive architectural services

* LWK Architecture is a wholly-foreign-owned enterprise under the relevant law of Chinese Mainland.

None of the subsidiaries had issued any debt securities at the end of the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. ACCOUNTING POLICIES (Continued)

2.2 Application of New and Revised HKFRS Accounting Standards

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior year.

The Group has not applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced on assessment of the impact of these new and revised HKFRS Accounting Standards but is not yet in a position to state whether these new and revised HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

2.3 Material accounting policies

Investments in associates and a joint venture

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in a joint venture and associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of joint ventures and associates is included in profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the joint venture or associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint ventures or associates are eliminated to the extent of the Group's investments in the joint ventures or associates, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of joint ventures or associates is included as part of the Group's investments in joint ventures or associates.

Upon loss of joint control over the joint venture or significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture or associate upon loss of joint control or significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Fair value measurement

The Group measures certain financial assets at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Related parties

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

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

or

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

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its estimated residual value over its estimated useful life. The estimated useful lives of different categories of property, plant and equipment are as follows:

Leasehold improvements	20% or over the term of the lease, whichever is shorter
Furniture, fixtures and equipment	20%
Motor vehicles	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Intangible assets (other than goodwill) (Continued)

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the period the intangible asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant intangible asset.

Club membership

Club membership with an indefinite useful life is stated at cost less accumulated impairment losses.

License

License is stated at cost less any impairment losses and is amortised on the straight-line basis over its remaining license period of 5 years.

Customer relationship

Customer relationship is stated at cost less any impairment losses and is amortised on the straight-line basis over its useful life ranging from 6 to 8 years.

Non-competition agreement

Non-completion agreement is stated at cost less any impairment losses and is amortised on the straight-line basis over its useful life of 5 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs (e.g. BIM platform and BIM platform under development which are internally generated) are stated at cost less any impairment losses and are amortised using the straight-line basis over 7 years, commencing from the date when the products are put into commercial production.

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on the straight-line basis over the shorter of the lease terms and the estimated useful lives of the office properties and staff quarters ranging from 2 to 5 years.

If ownership of the leased asset is transferred to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments).

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are separately disclosed in consolidated statement of financial position.

(c) *Short-term leases*

The Group applies the short-term lease recognition exemption to its short-term leases of warehouses, car parking spaces and office equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 *Revenue from Contracts with Customers* in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset (debt instrument) to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets (debt instruments) with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets (debt instruments) refers to how it manages its financial assets (debt instruments) in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets (debt instruments), or both. Financial assets (debt instruments) classified and measured at amortised cost are held within a business model with the objective to hold financial assets (debt instruments) in order to collect contractual cash flows, while financial assets (debt instruments) classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets (debt instruments) which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Investments and other financial assets (Continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(a) *Financial assets at amortised cost (debt instruments)*

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(b) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised in profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Investments and other financial assets (Continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 1 year past due. The Group has rebutted the 90 days past due presumption of default based on reasonable and supportable information, including the Group’s credit risk control practices and the historical recovery rate of financial assets over 90 days past due. However, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Investments and other financial assets (Continued)

Impairment of financial assets (Continued)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, interest-bearing bank and other bank borrowings.

Subsequent measurement of financial liabilities at amortised cost

After initial recognition, trade payables, other payables and accruals, and interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Cash and cash equivalents

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

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

Provisions

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

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

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Income tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Governments grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Revenue recognition

Revenue from contracts with customers

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

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Contracts of comprehensive architectural services

Revenue from the provision of comprehensive architectural services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the comprehensive architectural services.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Costs to fulfil a contract

Costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Costs to obtain a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with customer that it would not have incurred if the contract had not been obtained. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. The incremental costs of obtaining a contract are charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other costs of obtaining a contract are expensed when incurred.

Share-based payments

The Company operated a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in Note 29 to the consolidated financial statements.

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Share-based payments (Continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification, that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Other employee benefits

Pension schemes

The Group participates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Long service payment

The Group is obligated to make long service payment to qualifying employees in Hong Kong with a minimum of 5 years of employment period upon retirement or termination of employment under certain circumstances, in accordance with the Hong Kong Employment Ordinance (the “Employment Ordinance”). Long service payment is calculated based on the last monthly salary of the employees and the number of years of service. There are provisions under the Employment Ordinance permitting employers to offset employees’ long service payment against the accrued benefits attributable to employer’s contributions to the MPF Scheme. In 2022, the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Bill 2022 (the “Amendment Bill”) was enacted, such that the Group can no longer use accrued benefits arising from MPF mandatory employer contributions to offset employees’ long service payment accrued as from the transition date (i.e., 1 May 2025). The enactment of the Amendment Bill is treated as a plan amendment. Except for the statutory right to offset as described above, the long service payment benefits are unfunded.

The liability recognised in the consolidated statement of financial position in respect of long service payment is the net obligation, representing the present value of the future long service payment benefits reduced by entitlements from accrued benefits arising from MPF contributions made by the Group.

Borrowing costs

Borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. ACCOUNTING POLICIES (Continued)

2.3 Material accounting policies (Continued)

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation differences on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries, a joint venture and an associate are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Revenue recognition

The Group recognises contract revenue over time using an input method based on the progress towards satisfaction of the comprehensive architectural services, measured based on proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Accordingly, revenue recognition involves a significant degree of judgement, with estimates being made to assess the total contract costs and on progress towards complete satisfactions of the contract and to provide appropriately for onerous contracts.

The management estimates the financial impact of changes of service scope, claims and disputes of contract work including architecture, landscape architecture, town planning, interior design and heritage conservation services based on the latest available budgets of the contracts prepared by the project team with reference to their past experience with similar contracts and latest human resources records and the management's best estimates and judgements.

Due to the contracting nature of the business, revenue recognition involves a significant degree of judgement. Notwithstanding that the management reviews and revises the estimates of contract costs for the contract of comprehensive architectural services as the contract progresses, the actual outcome of the contract in terms of its total costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

During the year, the contract revenue of HK\$364,533,000 (2024: HK\$401,303,000) was recognised over time. Further details are given in Note 5 to the financial statements.

Impairment assessment of non-financial assets

The Group determines whether goodwill is impaired at least on an annual basis and whenever, any impairment indicators for goodwill exist. In addition, the Group assesses whether there are any indicators of impairment for other non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. This requires an estimation of the value in use of the cash-generating units to which the goodwill, other non-financial assets such as property, plant and equipment including right-of-use assets and intangible assets are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amounts of goodwill, property, plant and equipment including right-of-use assets and intangible assets at 31 December 2025 were HK\$4,242,000 (2024: HK\$4,151,000), HK\$75,818,000 (2024: HK\$15,551,000) and Nil (2024: HK\$280,000), respectively. Further details are given in Notes 14, 12 and 15 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Impairment assessment of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets based on provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit ratings, ageing and past due status of respective trade receivables and contract assets.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. In addition, trade receivables that are credit impaired are assessed for ECLs individually.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The carrying amounts of trade receivables and contract assets at 31 December 2025 were HK\$119,026,000 (2024: HK\$133,039,000) and HK\$190,685,000 (2024: HK\$217,626,000), respectively. Further details are given in Notes 20 and 21 to the financial statements.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiaries stand-alone credit rating).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. OPERATING SEGMENT INFORMATION

The Group's operating income was derived from provision of architectural landscape architectural, town planning, interior design and heritage conservation services. For the purposes of resource allocation and performance assessment, the Chief Executive Officer of the Company, being the chief operation decision maker ("CODM"), reviews the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

	2025 HK\$'000	2024 HK\$'000
Type of services		
Architecture services	326,886	355,595
Landscape architecture, town planning, interior design and heritage conservation services	37,647	45,708
Revenue from contracts with customers	364,533	401,303

Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's non-current assets other than financial instruments, deferred tax assets, and investment in a joint venture and investments in associates.

	Revenue from external customers		Non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
<i>Geographical markets</i>				
Chinese Mainland	110,922	170,913	64,344	4,004
Hong Kong	140,898	141,543	14,546	14,442
MENA	92,524	64,706	711	935
Macau	18,942	21,089	–	–
Others	1,247	3,052	459	601
	364,533	401,303	80,060	19,982

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. OPERATING SEGMENT INFORMATION (Continued)

Information about a major customer

During the years ended 31 December 2025 and 31 December 2024, there was no revenue from sales to single customer accounted for 10% or more of the total revenue of the Group.

5. REVENUE, OTHER INCOME AND GAINS, NET

Revenue represents the contract revenue from the provision of comprehensive architectural services during the year.

Performance obligations for contracts with customers

Comprehensive architectural services

The Group provides comprehensive architectural services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue was recognised by applying the input method, by reference to the progress towards complete satisfaction of the performance obligation at the reporting date.

The Group's architecture contracts include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits ranging from 5% to 10% of total contract sum. Contract liability is recognised when the Group receives a deposit before any services are rendered, until the revenue recognised on the specific contract exceeds the amount of the deposit.

A contract asset, net of contract liability related to the same contract, is recognised over the period when the services are rendered and represented the Group's right to consideration for the services rendered, of which the rights are conditional on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers the contract assets to trade receivables when the Group achieves the specific milestones in corresponding contracts. The credit period granted to individual customers is within 90 days in general and up to 180 days upon the issue of the invoice, which is considered on a case-by-case basis.

Retention receivables, prior to expiration of the defect liability period, which range from 6 months to 1 year from the date of the practical completion of the services, are classified as contract assets. The relevant amount of the contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the services performed comply with agreed-upon specifications and such assurance cannot be purchased separately.

5. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

Performance obligations for contracts with customers (Continued)

Comprehensive architectural services (Continued)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December and the expected timing of recognising revenue are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	324,742	402,921
More than one year but not more than two years	224,975	296,729
More than two years	332,190	499,732
	881,907	1,199,382

The revenue recognised in the year relating to the performance obligations satisfied in the previous year due to constraints on variable consideration amounted to HK\$3,360,000 (2024: HK\$616,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

An analysis of the other income and gains, net is as follow:

	Note	2025 HK\$'000	2024 HK\$'000
Other income			
Exercise of the right-of-use assets (note (a))		54,819	–
Bank interest income		953	1,275
Government subsidies (note (b))		1,110	2,557
Others		2,159	1,649
		59,041	5,481
Gains/(losses), net			
Gain on disposal of a subsidiary	30	5,314	–
Loss on deregistration of a subsidiary		(352)	–
Gain on termination of leases		823	–
Gain on deemed disposal of a joint venture		53	–
Foreign exchange differences, net		(1,460)	24
Loss on disposal of intangible assets		(217)	–
Loss on disposal of other assets		(166)	(2,097)
Loss on disposal of property, plant and equipment		(44)	(291)
Loss on forfeiture of deposits due to termination of leases		(353)	–
Write-off of other receivables		(600)	–
Write-off of prepayment		(3,128)	–
Others		(450)	(370)
		(580)	(2,734)
		58,461	2,747

Notes:

- (a) The other income recognised in respect of exercise of the right-of-use assets of an entire office floor in the building at nil consideration for the remaining period of the land use right of the land. Details are set out in the announcement of the Company dated 7 April 2025 and the circular dated 22 May 2025.
- (b) The government grant recognised by the Group during the year represented subsidies received from certain government authorities in Hong Kong for the Group's operation of comprehensive architectural services business, where there are no unfulfilled conditions or contingencies relating to these grants during the years.

6. FINANCE COSTS

An analysis of finance costs as follows:

	2025 HK\$'000	2024 HK\$'000
Interest expenses on:		
– Bank borrowings	4,475	5,527
– Lease liabilities	1,237	1,074
– Others	112	312
	5,824	6,913

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging (crediting):

	Notes	2025 HK\$'000	2024 HK\$'000
Cost of services rendered		304,891	339,060
Depreciation of property, plant and equipment		15,587	23,146
Lease payments not included in the measurement of lease liabilities		3,019	3,033
Auditor's remuneration (including remuneration for non-audit services)		1,050	1,427
Staff costs including directors' and chief executives' remunerations			
– Salaries, allowances, and other benefits		218,907	266,565
– Contributions to retirement benefit schemes (note)		10,773	11,545
		229,680	278,110
Loss on disposal of property, plant and equipment		44	291
Loss on disposal of other assets		166	2,097
Loss on disposal of intangible assets		217	–
Loss on deregistration of a subsidiary		352	–
Loss on forfeiture of deposits due to termination of leases		353	–
Gain on deemed disposal of joint venture		(53)	–
Gain on termination of leases		(823)	–
Gain on disposal of a subsidiary	30	(5,314)	–
Impairment recognised/(reversal of impairment) on:			
– Trade receivables, net	37	20,234	685
– Contract assets, net	37	8,510	(72)
– Other assets	19(b)	367	2,772
		29,111	3,385

Note: There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(a) Directors' and chief executive's emoluments

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Fees HK\$'000	Salaries, allowances and other benefits HK\$'000	Other emoluments Performance related bonuses ⁴ HK\$'000	Equity- settled share based payments HK\$'000	Pension scheme contributions HK\$'000	Total HK\$'000
2025						
<i>Executive directors</i> ¹						
Mr. Liang Ronald	-	3,992	-	-	216	4,208
Mr. Liu Jiang Tao	-	-	-	-	-	-
Mr. Fu Chin Shing ("Mr. Fu") ²	-	4,075	-	-	100	4,175
Mr. Wang Jun You	-	3,492	-	-	19	3,511
Mr. Deng Liming	400	-	-	-	-	400
Mr. Lei Zhi Jun	-	-	-	-	-	-
	400	11,559	-	-	335	12,294
<i>Independent non-executive directors</i> ³						
Mr. Chan James	168	-	-	-	-	168
Mr. Wan Sze Chung (appointed on 28 October 2025)	30	-	-	-	-	30
Ms. Su Ling	168	-	-	-	-	168
Mr. Wong Hin Wing (resigned on 28 October 2025)	138	-	-	-	-	138
	504	-	-	-	-	504
	904	11,559	-	-	335	12,798
2024						
<i>Executive directors</i> ¹						
Mr. Liang Ronald	400	5,310	-	-	216	5,926
Mr. Liu Jiang Tao	-	-	-	-	-	-
Mr. Fu Chin Shing ("Mr. Fu") ²	333	4,899	-	-	96	5,328
Mr. Wang Jun You	133	4,108	-	-	70	4,311
Mr. Liu Yong (resigned on 6 June 2024)	-	-	-	-	-	-
Mr. Deng Liming	400	-	-	-	-	400
Mr. Lei Zhi Jun (appointed on 6 June 2024)	-	-	-	-	-	-
	1,266	14,317	-	-	382	15,965
<i>Independent non-executive directors</i> ³						
Mr. Chan James	168	-	-	-	-	168
Mr. Wong Hin Wing	168	-	-	-	-	168
Ms. Su Ling	168	-	-	-	-	168
	504	-	-	-	-	504
	1,770	14,317	-	-	382	16,469

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(a) Directors' and chief executive's emoluments (Continued)

Notes:

- (1) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.
- (2) Mr. Fu is the Chief Executive Officer of the Company and his emoluments disclosed above include the services rendered as the Chief Executive Officer.
- (3) The independent non-executive directors' emoluments shown above were for their services as directors of the Company.
- (4) The performance related bonuses are determined by reference to the performance of the Group for the years ended 31 December 2025 and 2024.

In prior years and during the year, certain directors were granted share options in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in Note 29 to the consolidated financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

During the year ended 31 December 2025, Mr. Liu Jiang Tao and Mr. Lei Zhi Jun waived their entitled emoluments of HK\$1,200,000 and HK\$400,000, respectively, for their capacity as executive directors of the Company. Except Mr. Liu Jiang Tao and Mr. Lei Zhi Jun, no director or the chief executive waived or agreed to waive any remuneration during the year ended 31 December 2025.

During the year ended 31 December 2024, Mr. Liu Jiang Tao, Mr. Liu Yong and Mr. Lei Zhi Jun waived their entitled emoluments of HK\$1,200,000, HK\$172,000 and HK\$228,000, respectively, for their capacity as executive directors of the Company. Except Mr. Liu Jiang Tao, Mr. Liu Yong and Mr. Lei Zhi Jun, no director or the chief executive waived or agreed to waive any remuneration during the year ended 31 December 2024.

During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to any of the directors or the chief executive as an inducement to join or upon joining the Group or as compensation for loss of office.

(b) Five highest paid employees

The five highest paid individuals in the Group included three (2024: three) directors of the Company (including the Chief Executive Officer of the Company) whose emoluments are set out above. The emoluments of the remaining two (2024: two) highest paid employees are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and other benefits	4,721	4,440
Pension scheme contributions (defined contribution scheme)	36	36
	4,757	4,476

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Five highest paid employees (Continued)

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HK\$2,000,001 to HK\$2,500,000	1	2
HK\$2,500,001 to HK\$3,000,000	1	–
Total	2	2

In prior years, share options were granted to a non-director and non-chief executive highest paid employee in respect of his services to the Group, further details of which are included in the disclosures in note 29 to the financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the year ended 31 December 2024 is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

9. INCOME TAX EXPENSE/(CREDIT)

The income tax expense/(credit) comprises:

	2025 HK\$'000	2024 HK\$'000
Current tax expense:		
Hong Kong profit tax	25	–
Chinese Mainland	593	926
Others	16	–
	634	926
Dividend withholding tax	550	–
Deferred tax expense/(credit)	1,377	(1,811)
Total tax expense/(credit) for the year	2,561	(885)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. INCOME TAX EXPENSE/(CREDIT) (Continued)

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for a subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from 2018/19. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

CIT in Chinese Mainland has been provided at the rate of 25% (2024: 25%) on the estimated assessable profits in Chinese Mainland during the year. LWK Architecture, a wholly-owned subsidiary of the Company, satisfied the requirements of the relevant local tax bureau as a qualified enterprise in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone and was entitled to a preferential tax rate of 15% (2024: 15%) for the year. Certain subsidiaries of the Company satisfied the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises. The first RMB1,000,000 (2024: RMB1,000,000) taxable income shall be included in its taxable income at the reduced rate of 25% (2024: 25%), with the applicable corporate income tax rate of 20% (2024: 20%), and the annual taxable income not less than RMB1,000,000 (2024: RMB1,000,000) nor more than RMB3,000,000 (2024: RMB3,000,000) shall be included in its taxable income at the reduced rate at 50% (2024: 50%), with the applicable corporate income tax rate at 20% (2024: 20%).

A reconciliation of the tax expense/(credit) applicable to loss before tax at the statutory rates for the jurisdictions in which the Group is domiciled and/or operate to the tax expense at the effective tax rates is as follows:

	2025 HK\$'000	2024 HK\$'000
Profit/(loss) before tax	29,692	(15,304)
Tax at statutory tax rates	4,899	(2,525)
Effect of share of profits of associates	(1,641)	(534)
Effect of share of loss of a joint venture	2	4
Income not subject to tax	(10,842)	(65)
Expenses not deductible for tax	6,766	426
Tax losses not recognised	2,100	903
Dividend withholding tax	550	–
Tax losses utilised from previous periods	(484)	(34)
Effect of different tax rates of profits generated in Chinese Mainland by Hong Kong Entities	9	99
Effect of different tax rates of subsidiaries operating in other jurisdiction	283	(200)
Others	919	1,041
Income tax expense/(credit)	2,561	(885)

10. PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic profit/(loss) per share amounts is based on the profit/(loss) for the year and the profit/(loss) for the year attributable to owners of the Company, and the weighted average number of ordinary shares in issue during the year.

No adjustment has been made to the basic profit/(loss) per share amount presented for each of the years ended 31 December 2025 and 2024 in respect of a dilution as the impact of the share options outstanding during the years ended 31 December 2025 and 2024 had an no diluting effect on the basic profit/(loss) per share amounts presented.

The calculations of basic and diluted profit/(loss) per share are based on:

	2025 HK\$'000	2024 HK\$'000
Profit/(loss):		
Profit/(loss) attributable to owners of the Company, used in the basic and diluted profit/(loss) per share calculation	26,427	(14,851)
	Number of shares	
	2025	2024
		(Restated)
Shares:		
Weighted average number of ordinary shares in issue during the year, used in the basic profit/(loss) per share calculation	402,818,825	368,897,606
Effect of dilution – weighted average number of ordinary shares: Share options	–	–
Weighted average number of ordinary shares in issue during the year, used in the diluted profit/(loss) per share calculation	402,818,825	368,897,606

The weighted average number of shares of 368,897,606 for the year ended 31 December 2024 was adjusted to reflect the rights issue completed on 20 June 2025.

11. DIVIDENDS

No final dividend was proposed nor paid by the Company in respect of the years ended 31 December 2025 and 2024.

12. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
COST					
At 1 January 2024	139,448	22,397	58,779	1,874	222,498
Additions	214	–	2,864	–	3,078
Disposals/write-off	(231)	–	(3,026)	–	(3,257)
Exchange realignment	(846)	(289)	(735)	(18)	(1,888)
At 31 December 2024 and 1 January 2025	138,585	22,108	57,882	1,856	220,431
Additions	77,581	710	797	–	79,088
Disposals/write-off	(128,303)	(2,259)	(5,804)	–	(136,366)
Derecognised upon disposal of a subsidiary (note 30)	(250)	–	(231)	–	(481)
Exchange realignment	909	374	674	27	1,984
At 31 December 2025	88,522	20,933	53,318	1,883	164,656
ACCUMULATED DEPRECIATION					
At 1 January 2024	111,046	20,047	53,117	1,874	186,084
Charge for the year	18,943	1,170	3,033	–	23,146
Disposals/write-off	(231)	–	(2,720)	–	(2,951)
Exchange realignment	(518)	(238)	(625)	(18)	(1,399)
At 31 December 2024 and 1 January 2025	129,240	20,979	52,805	1,856	204,880
Charge for the year	12,876	923	1,788	–	15,587
Disposals/write-off	(124,949)	(2,259)	(5,760)	–	(132,968)
Derecognised upon disposal of a subsidiary (note 30)	(175)	–	(211)	–	(386)
Exchange realignment	779	331	588	27	1,725
At 31 December 2025	17,771	19,974	49,210	1,883	88,838
CARRYING AMOUNTS					
At 31 December 2025	70,751	959	4,108	–	75,818
At 31 December 2024	9,345	1,129	5,077	–	15,551

13. LEASES

The Group as a lessee

The Group has lease contracts of office properties and staff quarters. Leases of office properties and staff quarters generally have lease terms between 2 and 5 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Office properties HK\$'000	Staff quarters HK\$'000	Total HK\$'000
At 1 January 2024	27,851	551	28,402
Additions	214	–	214
Depreciation charge	(18,427)	(516)	(18,943)
Exchange realignment	(321)	(7)	(328)
At 31 December 2024 and 1 January 2025	9,317	28	9,345
Additions	77,581	–	77,581
Termination of leases	(3,335)	(19)	(3,354)
Derecognised upon disposal of a subsidiary	(75)	–	(75)
Depreciation charge	(12,867)	(9)	(12,876)
Exchange realignment	130	–	130
At 31 December 2025	70,751	–	70,751

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	Lease liabilities	
	HK\$'000	
Carrying amount at 1 January 2024		29,863
New leases		214
Accretion of interest recognised during the year		1,074
Payments		(20,216)
Exchange realignment		(374)
		<hr/>
Carrying amount at 31 December 2024 and 1 January 2025		10,561
		<hr/>
New leases		22,762
Accretion of interest recognised during the year		1,237
Termination of leases		(4,177)
Derecognised upon disposal of a subsidiary (note 30)		(74)
Payments		(12,712)
Exchange realignment		219
		<hr/>
Carrying amount at 31 December 2025		17,816
		<hr/>
	2025	2024
	HK\$'000	HK\$'000
Analysed into:		
Current portion	8,778	8,405
Non-current portion	9,038	2,156
	<hr/>	<hr/>
	17,816	10,561
		<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities (Continued)

The maturity analysis of lease liabilities was as follows:

	2025 HK\$'000	2024 HK\$'000
Analysed into:		
Within one year or on demand	8,778	8,405
In the second year	7,876	2,156
In the third to fifth years, inclusive	1,162	–
	17,816	10,561

(c) The amounts charged to profit or loss in relation to leases are as follows:

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	1,237	1,074
Depreciation charge of right-of-use assets	12,876	18,943
Expense relating to short-term leases	3,019	3,033
	17,132	23,050

(d) The total cash outflow for leases is disclosed in Note 31(c) to the financial statements.

14. GOODWILL

		LWK Architecture HK\$'000
COST AND CARRYING VALUES		
At 1 January 2024		4,209
Exchange realignment		(58)
At 31 December 2024 and 1 January 2025		4,151
Exchange realignment		91
At 31 December 2025		4,242

LWK Architecture CGU

Goodwill arose from the acquisition of a 75% equity interest in LWK Architecture in 2011, which is engaged in the provision of comprehensive architectural services in Chinese Mainland and is considered a cash-generating unit ("CGU") that generates independent cash flows.

The goodwill so arising was allocated to the LWK Architecture CGU for impairment testing.

The recoverable amount of the LWK Architecture CGU has been determined based on a value-in-use. The calculation uses cash flow projection based on financial budgets approved by management covering a 5-year period, and an appropriate discount rate. The cash flows beyond the 5-year period are extrapolated using a steady growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. The discount rates used are before tax and reflect specific risks relating to the relevant units.

Other key assumptions for the value-in-use calculation relate to the estimation of cash inflows/outflows which include budgeted revenue and gross margin, such estimates are based on the LWK Architecture CGU's past performance and management's expectations for the market development.

	2025	2024
Discount rate	11.6%	11.7%
Terminal growth rate	2%	2%

The directors of the Company considered that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the LWK Architecture CGU to exceed its recoverable amount as at 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. INTANGIBLE ASSETS

	License HK\$'000	Club membership HK\$'000 (Note)	Total HK\$'000
COST			
At 1 January 2024	4,193	280	4,473
Exchange realignment	(137)	–	(137)
At 31 December 2024 and 1 January 2025	4,056	280	4,336
Disposal	–	(280)	(280)
Exchange realignment	170	–	170
At 31 December 2025	4,226	–	4,226
ACCUMULATED AMORTISATION			
At 1 January 2024	4,193	–	4,193
Exchange realignment	(137)	–	(137)
At 31 December 2024 and 1 January 2025	4,056	–	4,056
Exchange realignment	170	–	170
At 31 December 2025	4,226	–	4,226
CARRYING AMOUNTS			
At 31 December 2025	–	–	–
At 31 December 2024	–	280	280

Note:

Club membership has an indefinite useful life as there is no time limit for which the Group can use the membership, and therefore it will not be amortised until its useful life is determined to be finite upon reassessment annually. Accordingly, club membership is tested for impairment annually and whenever there is an indication that it may be impaired. During the year ended 31 December 2024, management determined that there was no impairment of club membership by reference to the quoted market prices, which is classified as Level 1 of the fair value hierarchy and during the year ended 31 December 2025, club membership has been disposed.

16. INVESTMENT IN A JOINT VENTURE

	2025 HK\$'000	2024 HK\$'000
Share of net assets	–	2,656

Particulars of the Group's joint venture are as follows:

Name	Registered capital	Place of registration and business	Percentage of			Principal activity
			Ownership interest	Voting power	Profit sharing	
C-Bay	RMB26,270,000	Chinese Mainland	50%	50%	50%	Provision of smart city consultancy services

On 13 August 2019, Bertrand Investments Limited, a subsidiary of the Company, entered into the Sino-foreign joint venture agreement with Beijing General Municipal Engineering Design & Research Institute Co. Ltd ("BMEDI") to establish a Sino-foreign joint venture company, C-Bay Smart Cities Limited ("C-Bay") (大雲灣智匯城市發展(深圳)有限公司), which will focus on providing consultancy services in Guangdong-Hong Kong-Macau Greater Bay Area in respect of smart city development.

The above investment is indirectly held by the Company. The Group has exercised joint control on C-Bay as both joint venture partners have respectively appointed two directors out of four directors of C-Bay, and the remaining director, who is independent to both joint venture partners, was nominated and appointed by both joint venture partners. The relevant activities of C-Bay require the unanimous consent from both joint venture partners.

The total investment costs of C-Bay were HK\$50,000,000, of which joint venture partners are required to subscribe the capital in aggregate of HK\$30,000,000. One-third of capital injection has to be paid upon the completion of the registration of C-Bay, which was in September 2019, and the remaining two-thirds of capital injection are required to be paid within 30 years on dates mutually agreed by both joint venture partners. As at the year ended 31 December 2023, the Group has paid up HK\$5,000,000 for the capital of C-Bay.

On 9 March 2025, the Group has completed the entire capital reduction of HK\$5,000,000 from C-Bay. C-Bay has ceased to be a joint venture of the Group since then and the Group has no remaining interests in C-Bay.

The summarised financial information in respect of the Group's joint venture accounted for using the equity method is set out below:

	2024 HK\$'000
Cash and bank balances	5,312
Other current assets	–
Net assets	5,312
Reconciliation to the Group's interest in the joint venture:	
Proportion of the Group's ownership	50%
Carrying amount of the investment	2,656
Revenue	–
Interest income	63
Loss for the year	(54)
Total comprehensive loss for the year	(390)

17. INVESTMENTS IN ASSOCIATES

	2025 HK\$'000	2024 HK\$'000
Share of net assets	94,724	84,771
Goodwill on acquisition recognised by the Group	16,992	16,992
	111,716	101,763

Particulars of the Group's principal associates are as follows:

Name	Issued ordinary/ registered share capital	Place of registration	Percentage of			Principal activities
			Ownership interest	Voting power	Profit sharing	
isBIM Limited	HK\$27,065,200	Hong Kong	35%	35%	35%	BIM software development, BIM consultancy services and BIM professional training services
Element Investment (Hong Kong) Limited	HK\$55,000,000	Hong Kong	45.5%	45.5%	45.5%	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. INVESTMENTS IN ASSOCIATES (Continued)

The summarised financial information in respect of the Group's associates accounted for using the equity method is set out below:

	isBIM		Element Investment	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Current assets	245,131	206,125	94,174	85,635
Non-current assets	41,592	44,753	12,690	14,250
Current liabilities	(40,196)	(37,530)	(22,323)	(37,392)
Non-current liabilities	(49,824)	(47,411)	–	–
Net assets	196,703	165,937	84,541	62,493
Less: Non-controlling interests	(1,529)	(1,049)	(26,759)	(3,278)
Net assets attributable to shareholders of associates	195,174	164,888	57,782	59,215
Reconciliation to the Group's interests in the associates:				
Proportion of the Group's ownership	35%	35%	45.5%	45.5%
Group's share of net assets of the associates, excluding goodwill recognised by the Group	68,311	57,711	26,291	26,943
Goodwill on acquisition recognised by the Group	16,992	16,992	–	–
Carrying amounts of the investments	85,303	74,703	26,291	26,943
Revenue	176,862	160,049	–	–
Profit/(loss) for the year	30,286	10,911	(1,433)	(1,285)
Other comprehensive loss for the year	–	–	–	–
Total comprehensive income/(loss) for the year	30,286	10,911	(1,433)	(1,285)
Share of the associates' profit/(loss) for the year	10,600	3,819	(652)	(585)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 HK\$'000	2024 HK\$'000
Share of the associates' loss for the year	–	–
Share of net assets of the associates	122	117

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 December 2025 and 2024, financial assets at fair value through profit or loss mainly represented listed equity investments measured at fair value. The listed equity investments were listed in Hong Kong and overseas. They were classified as financial assets at fair value through profit or loss as they are held for trading.

19. PREPAYMENTS, DEPOSITS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes	2025 HK\$'000	2024 HK\$'000
Prepayments		10,904	12,313
Rental and utility deposits paid		4,516	5,748
Prepaid staff disbursements and advances		118	160
Other receivables	(a)	12,450	16,117
Other assets	(b)	9,357	8,181
		37,345	42,519
Analysed into			
Non-current assets		9,725	11,823
Current assets		27,620	30,696
		37,345	42,519

Notes:

- (a) As at 31 December 2025, included in other receivables was a loan amount to HK\$7,600,000 (2024: HK\$7,600,000) to an independent third party, which was secured by a property, with interest rate of 5.5% and repayable within one year.
- (b) Other assets as at 31 December 2025 represented properties held for sale located in Chinese Mainland at the aggregate carrying value of HK\$9,357,000 (2024: HK\$8,181,000). The Group entered into arrangements with certain customers which the customers settled their trade receivables due to the Group with their own properties during the year and in prior years. The directors of the Company are intended to sell those properties within one year from the end of the reporting period. Accordingly, those properties are recognised as held for sale. During the year, the Group has recognised loss on disposal and impairment of other assets of HK\$166,000 and HK\$367,000, respectively, based on the relevant transaction prices.

20. TRADE RECEIVABLES

	Note	2025 HK\$'000	2024 HK\$'000
Bills receivable	(a)	1,552	1,490
Trade receivables		150,151	143,694
		151,703	145,184
Impairment (note 37)		(32,677)	(12,145)
		119,026	133,039

Note

(a) Bills receivable held are with a maturity period of less than one year.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances and the trade receivables are non-interest-bearing.

An ageing analysis of trade receivables, including bills receivable, as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 HK\$'000	2024 HK\$'000
Unbilled receivable (Note)	9,125	30,684
Within 30 days	55,496	29,908
Over 30 days and within 90 days	14,150	23,692
Over 90 days and within 180 days	8,816	7,253
Over 180 days	31,439	41,502
	119,026	133,039

Note: Amounts represent the Group's unconditional right to consideration, of which invoices have not been issued.

Disclosure requirement related to ECLs is set out in Note 37 to the financial statements.

21. CONTRACT ASSETS

	31 December 2025 HK\$'000	31 December 2024 HK\$'000	1 January 2024 HK\$'000
Comprehensive architectural services	203,647	221,903	217,717
Impairment (note 37)	(12,962)	(4,277)	(4,495)
	190,685	217,626	213,222

The contract assets primarily relate to the Group's right to consideration for the services rendered and not yet invoiced because the rights are conditional on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

Typical payment terms which impact on the amount of contract assets recognised are as follows:

The Group's comprehensive architectural service contracts include payment schedules which require stage payments over the service period once certain specified milestones are achieved. The Group requires certain customers to provide upfront deposits ranging from 5% to 10% of total contract sum as part of its credit risk management policies. Typically, the Group transfers the contract assets to trade receivables as "unbilled receivables" when the Group achieves the specific milestones in the corresponding contracts.

The Group typically agrees to a retention period ranging from 6 months to 1 year for 5% of the contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the completion of services. The contract asset balance in 2025 was comparable to the one in 2024.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle. Disclosures relating to ECLs are set out in Note 37 to the financial statements.

22. CASH AND BANK BALANCES

	2025 HK\$'000	2024 HK\$'000
Cash and bank balances other than time deposits	93,078	42,253
Pledged time deposits with original maturity of less than three months when acquired	20,114	–
Time deposits placed in banks		
– With original maturity of less than three months when acquired	2,185	15,558
– With original maturity of more than three months when acquired	–	21,284
Sub-total	115,377	79,095
Less: Restricted bank balance (note (c))	(1,728)	(4,492)
Cash and cash equivalents	113,649	74,603

Notes:

- (a) As at 31 December 2025, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to HK\$65,209,000 (2024: HK\$57,856,000). Certain RMB maintained in Chinese Mainland is not freely convertible into other currencies, however, under Chinese Mainland’s Foreign Exchange Control Regulations and Administration of Settlements, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.
- (b) Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between two months and one year depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates.
- (c) The restricted cash mainly represented (i) tender deposits of HK\$1,728,000 (2024: HK\$2,776,000) made for the submission of bids for comprehensive architectural services and (ii) nil (2024: HK\$1,548,000) placed in an escrow account in relation to a litigation claim for labour dispute, which has been settled in November 2024 and the restricted cash has been released in February 2025.

23. TRADE PAYABLES

An ageing analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 30 days	6,172	7,659
Over 30 days and within 90 days	12,195	2,969
Over 90 days	14,234	18,356
	32,601	28,984

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

24. OTHER PAYABLES AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
Refundable deposits received from customers	7,191	3,418
Accrued payroll costs and bonuses	19,094	14,649
Accrued expenses	4,228	4,439
Accrued subcontracting expenses	9,057	–
Other payables	8,825	9,751
Other tax payables	2,046	1,040
	50,441	33,297

Notes:

- (a) Other payables are non-interest bearing and have an average term of one month.
- (b) Provision for reinstatement costs represents the present value of the estimated cost for the restoration work of the Group's leased office properties agreed to be carried out upon the expiry of the relevant leases. The amount of the provision for reinstatement costs is estimated based on past experience of the level of restoration work performed. The estimation basis is reviewed on an ongoing basis and revised where appropriate. The related reinstatement costs, upon initial recognition, have been included as right-of-use assets in the consolidated statement of financial position.

25. CONTRACT LIABILITIES

	31 December 2025 HK\$'000	31 December 2024 HK\$'000	1 January 2024 HK\$'000
Comprehensive architectural services	46,505	57,588	77,680

The revenue recognised in the current year relating to carryforward of contract liabilities was as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue recognised that was included in the contract liabilities at the beginning of the year		
– Comprehensive architectural services	33,655	48,144

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. CONTRACT LIABILITIES (Continued)

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

When the Group receives a deposit before the service commences, this will give rise to contract liabilities at the start of a contract until the revenue recognised on the relevant contract exceeds the amount of the deposit. Typically, the Group receives deposits ranging from 5% to 10% of total contract sum from certain customers before the service commences.

The Group considered that the advance payments contain a financing component. In the opinion of the directors of the Company, given the consideration of the time value of money and credit characteristics of the relevant group entities, the adjusted amount is immaterial.

The decrease in contract liabilities in 2025 and 2024 was mainly due to the decrease in comprehensive architectural service fees received in advance during the year.

26. INTEREST-BEARING BANK BORROWINGS AND OTHER INTEREST-BEARING BORROWINGS

(a) Interest-bearing bank borrowings

	2025			2024		
	Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
Current						
Revolving bank loans (Note (ii))	Hong Kong Interbank Offered Rate ("HIBOR") +2.0-2.3	Revolving	80,000	Hong Kong Interbank Offered Rate ("HIBOR") +2.0-2.3	Revolving	85,000

Notes:

- (i) Without considering the effect of any repayment on demand clause and based on the maturity terms of the bank borrowings, the bank borrowings are repayable:

	2025 HK\$'000	2024 HK\$'000
Within one year	80,000	85,000

- (ii) The amount was revolved on a monthly basis with the repayment on demand clause set out in the loan agreements.

- (iii) All bank borrowings are dominated in Hong Kong dollars as at 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. INTEREST-BEARING BANK BORROWINGS AND OTHER INTEREST-BEARING BORROWINGS (Continued)

(b) Other interest-bearing borrowings

	2025 HK\$'000	2024 HK\$'000
Within one year or on demand	277	1,603
In the second year	49	363
Other interest-bearing borrowings	326	1,966
Less: Amount repayable within one year or on demand and classified as current portion	(277)	(1,603)
	49	363

The other interest-bearing borrowings were unsecured, bear interest at rates ranging from 3.00% to 4.70% (2024: 3.00% to 4.70%) and repayable within one to five years. The balance was denominated in Hong Kong dollars.

27. DEFERRED TAX

The movements in deferred tax assets/(liabilities) during the years are as follows:

	Difference between accounting depreciation and depreciation allowance HK\$'000	Temporary differences related to contract assets/contract liabilities HK\$'000	Share options vested but not yet exercised HK\$'000	Right-of-use assets HK\$'000	Lease liabilities HK\$'000	ECLs HK\$'000	Tax loss HK\$'000	Total HK\$'000
At 1 January 2024	564	(1,136)	4,892	(4,157)	4,374	930	6,792	12,259
Deferred tax credited/(charged) to profit or loss	85	(20)	(3,409)	2,784	(2,820)	(459)	5,650	1,811
At 31 December 2024 and 1 January 2025	649	(1,156)	1,483	(1,373)	1,554	471	12,442	14,070
Deferred tax credited/(charged) to profit or loss	(15)	254	(1,483)	(807)	757	786	(869)	(1,377)
At 31 December 2025	634	(902)	-	(2,180)	2,311	1,257	11,573	12,693

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. DEFERRED TAX (Continued)

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets	13,464	15,226
Deferred tax liabilities	(771)	(1,156)
	12,693	14,070

The Group has not recognised deferred tax assets in respect of cumulative tax losses arising in Hong Kong of HK\$30,378,000 (2024: HK\$18,090,000) and in respect of cumulative tax losses arising in Chinese Mainland of HK\$3,652,000 (2024: HK\$14,688,334) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Tax losses arising in Hong Kong are available indefinitely for offsetting against future taxable profits while tax losses arising in Chinese Mainland will expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose.

Pursuant to the CIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese Mainland in respect of earnings generated from 1 January 2008. Deferred taxation has not been provided for in the financial statements in respect of temporary differences attributable to retained profits of the subsidiaries in Chinese Mainland amounting to HK\$80,962,000 (2024: HK\$111,071,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

28. ISSUED CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
<i>Authorised</i>		
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	1,000,000,000	10,000
<i>Issued and paid up</i>		
At 1 January 2024, 31 December 2024 and 1 January 2025	288,260,780	2,883
Rights issue (Note)	144,130,390	1,441
At 31 December 2025	432,391,170	4,324

All issued shares rank pari passu in all respects with each other.

Note: On 20 June 2025, the Company completed a rights issue on the basis of one rights share for every two existing shares held on the record date at the subscription price of HK\$0.10 per rights share. The gross proceeds from the rights issue were approximately HK\$14,413,000 and the net proceeds were approximately HK\$13,776,000 after deducting the related expenses of approximately HK\$637,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. SHARE OPTION SCHEME

The Company's Share Option Scheme was adopted pursuant to a resolution passed on 5 December 2013 for the primary purpose of providing incentives or rewards to directors and eligible employees for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group, and expired on 5 December 2023. The total number of shares in respect of which options may be granted under the Share Option Scheme was not permitted to exceed 10% of the shares of the Company in issue at any time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors or their respective associates in excess of 0.1% of the Company's share capital or with an aggregate value in excess of HK\$5 million based on the closing price of the shares at the date of each grant must be approved in advance by the Company's shareholders. Options granted must be taken up within one month of the date of grant, upon payment of HK\$1 per option. Options may be exercised at any time from the date of grant of the share option to the tenth anniversary of the date of grant. The exercise price was determined by the directors of the Company, and would not be less than the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Details of specific categories of options granted under the Share Option Scheme are as follows:

Grant	Grantee	Date of grants	Number of options granted	Vesting period	Exercise period	Exercise price	Fair value at grant date
2017 Grant 2*	Executive directors	28 September 2017	10,800,000	24 November 2017 to 27 September 2022	28 September 2022 to 27 September 2024	HK\$2.49	HK\$0.96
2017 Grant 2*	Executive directors	28 September 2017	3,100,000	28 September 2017 to 27 September 2020	28 September 2020 to 27 September 2022	HK\$2.49	HK\$0.85
2017 Grant 2*	Other employees	28 September 2017	11,460,000	28 September 2017 to 27 September 2020	28 September 2020 to 27 September 2022	HK\$2.49	HK\$0.85
2018 Grant†	Executive directors	1 November 2018	10,800,000	13 December 2018 to 31 October 2023	1 November 2023 to 31 October 2025	HK\$2.33	HK\$0.88
2018 Grant*	Executive directors	1 November 2018	3,200,000	1 November 2018 to 31 October 2021	1 November 2021 to 31 October 2023	HK\$2.33	HK\$0.83
2018 Grant*	Other employees	1 November 2018	4,100,000	1 November 2018 to 31 October 2021	1 November 2021 to 31 October 2023	HK\$2.33	HK\$0.82
2019 Grant*	Executive directors	28 November 2019	4,800,000	28 November 2019 to 27 November 2022	28 November 2022 to 27 November 2024	HK\$1.55	HK\$0.56
2019 Grant*	Other employees	28 November 2019	4,100,000	28 November 2019 to 27 November 2022	28 November 2022 to 27 November 2024	HK\$1.55	HK\$0.59
2019 Grant*	Executive directors	28 November 2019	13,500,000	5 February 2020 to 27 November 2022	28 November 2022 to 27 November 2024	HK\$1.55	HK\$0.62
2020 Grant†	Other employees	23 December 2020	3,500,000	23 December 2020 to 22 December 2023	23 December 2023 to 22 December 2025	HK\$0.88	HK\$0.32
2020 Grant†	Executive directors	23 December 2020	18,300,000	23 December 2020 to 22 December 2023	23 December 2023 to 22 December 2025	HK\$0.88	HK\$0.32

* Share options lapsed.

† Share options cancelled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. SHARE OPTION SCHEME (Continued)

Details of the Company's share options held by employees and directors during the year ended 31 December 2025 were as follows:

	Outstanding at 1.1.2025	Granted during the year	Exercised during the year	Cancelled during the year	Outstanding at 31.12.2025
2018 Grant	6,300,000	–	–	(6,300,000)	–
2020 Grant	15,800,000	–	–	(15,800,000)	–
	22,100,000	–	–	(22,100,000)	–
Exercisable at the end of the year					–
Weighted average exercise price per share	HK\$1.29	–	–	HK\$1.29	–

Details of the Company's share options held by employees and directors during the year ended 31 December 2024 were as follows:

	Outstanding at 1.1.2024	Granted during the year	Exercised during the year	Lapsed/ forfeited during the year	Outstanding at 31.12.2024
2017 Grant 2	6,300,000	–	–	(6,300,000)	–
2018 Grant	6,300,000	–	–	–	6,300,000
2019 Grant	16,400,000	–	–	(16,400,000)	–
2020 Grant	15,800,000	–	–	–	15,800,000
	44,800,000	–	–	(22,700,000)	22,100,000
Exercisable at the end of the year					22,100,000
Weighted average exercise price per share	HK\$1.56	–	–	HK\$1.81	HK\$1.29

29. SHARE OPTION SCHEME (Continued)

During the year ended 31 December 2025, all the 22,100,000 outstanding share options granted were cancelled with effect from 29 April 2025 in accordance with the terms of the 2013 Share Option Scheme. Share options amounting to HK\$8,986,000 were transferred from the share option reserve to retained profits.

During the year ended 31 December 2024, 22,700,000 shares options were lapsed after the vesting period and no share option was forfeited within the vesting period. Share options amounting to HK\$15,727,000 were transferred from the share option reserve to retained profits.

At the date of approval of these financial statements, the Company had nil share options outstanding under the Share Option Scheme, which represented approximately 0% of the Company's shares in issue as at that date.

30. DISPOSAL OF A SUBSIDIARY

In November 2025, the Group entered into agreements with an independent third party, YY Design Group (HK) Company Limited, to dispose of its entire 100% of the issued share capital of LWK Landscape Design (Shenzhen) Company Limited (梁黃顧景觀設計(深圳)有限公司) ("LWKSZL"), a wholly-owned subsidiary of the Group, at the consideration of RMB1. The transaction was completed on 30 November 2025. A gain of HK\$5,314,000 was recognised for the transaction during the year ended 31 December 2025.

The net liabilities disposed of at the date of the disposal were as follows:

	HK\$'000
Property, plant and equipment	95
Rental deposit	52
Trade and other receivables	125
Contract assets	930
Bank balances and cash	40
Trade and other payables	(6,261)
Contract liabilities	(224)
Lease liabilities	(74)
Net liabilities disposed of	(5,317)
Release of exchange reserve	3
Consideration satisfied by cash	-
Gain on disposal of a subsidiary	(5,314)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30. DISPOSAL OF A SUBSIDIARY (Continued)

An analysis of the cash flows in respect of the disposal is as follows:

	HK\$'000
Cash consideration	–
Bank balances and cash disposed of	(40)
Net outflow of cash and cash equivalents included in cash flows from investing activities	(40)

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

In addition to the non-cash transactions detailed elsewhere in these financial statements, the Group had the following non-cash transactions during the year.

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$77,581,000 (2024: HK\$214,000) and HK\$22,762,000 (2024: HK\$214,000), respectively, in respect of lease arrangements for office premises and staff quarters.

(b) Changes in liabilities arising from financing activities

	Lease liabilities HK\$'000	Interest-bearing bank borrowings HK\$'000	Other interest-bearing borrowing HK\$'000
At 1 January 2024	29,863	84,000	4,980
Financing cash flows	(19,142)	1,000	(3,014)
New leases	214	–	–
Interest expense	1,074	–	–
Interest paid classified as operating cash flows	(1,074)	–	–
Exchange realignment	(374)	–	–
At 31 December 2024 and 1 January 2025	10,561	85,000	1,966
Financing cash flows	(11,475)	(5,000)	(1,640)
New leases	22,762	–	–
Termination of lease	(4,177)	–	–
Derecognised upon disposal of a subsidiary (note 30)	(74)	–	–
Interest expense	1,237	–	–
Interest paid classified as operating cash flows	(1,237)	–	–
Exchange realignment	219	–	–
At 31 December 2025	17,816	80,000	326

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Total cash outflows for leases

The total cash outflows for leases included in the consolidated statement of cash flows are as follows:

	2025 HK\$'000	2024 HK\$'000
Within operating activities	4,256	4,107
Within financing activities	11,475	19,142
	15,731	23,249

32. CAPITAL COMMITMENT

As at 31 December 2025, the Group had no capital commitments (2024: Nil).

33. CONTINGENT LIABILITIES

As at 31 December 2025, the Group provides guarantees amounting to HK\$10,931,000 (2024: HK\$5,939,000) to secure service performance bonds issued by a bank on behalf of a subsidiary's performance obligation on certain projects.

In the opinion of the Directors of the Company, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition and at the end of the reporting period after taking into consideration the possibility of the default by the subsidiary, it was considered to be minimal. Accordingly, no value has been recognised in the consolidated statement of financial position.

34. RELATED PARTY TRANSACTIONS

(a) Related party transactions

During the year ended 31 December 2025, the Group recognised revenue of HK\$62,000 from its comprehensive architectural services and BIM services provided to BMEDI and its subsidiaries. As at 31 December 2024 and 2025, the Group had no trade receivables due from BMEDI and its subsidiaries. BMEDI is a substantial shareholder of the Company.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management is disclosed in Note 8 to the financial statements.

Save as disclosed in elsewhere to the financial statements, certain of the above related party transactions also constituted fully-exempt connected transaction of the Company under Chapter 14A of the Listing Rules.

35. FINANCIAL INSTRUMENTS BY CATEGORIES

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets	2025 HK\$'000	2024 HK\$'000
<u>Financial assets at amortised cost</u>		
Financial assets included in prepayments, deposits, other receivables and other assets	16,966	21,865
Trade receivables	119,026	133,039
Cash and bank balances	115,377	79,095
	251,369	233,999
<u>Financial assets at fair value through profit or loss – mandatorily measured as such</u>	8,075	7,979
	259,444	241,978
Financial liabilities	2025 HK\$'000	2024 HK\$'000
<u>Financial liabilities at amortised cost</u>		
Trade payables	32,601	28,984
Financial liabilities included in other payables and accruals	28,901	17,608
Interest-bearing bank borrowings	80,000	85,000
Other interest-bearing borrowings	326	1,966
Lease liabilities	17,816	10,561
	159,644	144,119

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and bank balances, trade receivables, trade payables, financial assets included in prepayments, deposits, other receivables and other assets, interest-bearing bank borrowings, current portion of other interest-bearing borrowings and financial liabilities included in other payables and accruals which approximate to their carrying amounts largely due to the short-term maturities of these instruments or repayable on demand.

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The financial controller reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of deposits and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing other borrowings as at 31 December 2025 were assessed to be insignificant and the fair value of non-current portion of deposits and other borrowings were approximately to the carrying amounts.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

	Fair value as at		Fair value hierarchy	Valuation technique and key inputs	Significant unobserved inputs
	2025 HK\$'000	2024 HK\$'000			
Financial assets at fair value through profit or loss – listed equity investments	7,325	6,479	Level 1	Based on the quoted price	N/A
Financial assets at fair value through profit or loss – unlisted equity investment	750	1,500	Level 2	Based on the recent investment price	N/A
	8,075	7,979			

The Group did not have any financial liabilities measured at fair value as at 31 December 2025 and 2024.

During the years of 2025 and 2024, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments comprise interest-bearing bank borrowings, other interest-bearing borrowings and cash and bank balances, trade receivables, trade payables, financial assets included in prepayments, deposits, other receivables and other assets and financial liabilities included in other payables and accruals which arise directly from its operations.

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. The main risks arising from the Group's financial instruments are market risk including interest rate risk, currency risk, credit risk and liquidity risk.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances, unsecured bank borrowings and other borrowings. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and other borrowings and HIBOR arising from the Group's HK\$ denominated bank borrowings. It is the Group's policy to keep its borrowings at floating rates of interest so as to minimise the fair value interest rate risk.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents the management's assessment of the reasonably possible change in interest rates. Bank balances are excluded from sensitivity analysis as the directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 December 2025 would decrease/increase by HK\$402,000 (2024: HK\$435,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank and other borrowings.

Currency risk

Certain financial assets at fair value through profit or loss, trade receivables, cash and bank balances and other payables of the Group are denominated in foreign currencies, which expose the Group to foreign currency risk. The Group currently does not have a foreign exchange hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Currency risk (Continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's loss before tax.

	Change in foreign currency rate %	Decrease/ (increase) in loss before tax HK\$'000
2025		
If HK\$ weakens against RMB	5%	571
If HK\$ strengthens against RMB	5%	(571)
	Change in foreign currency rate %	Decrease/ (increase) in loss before tax HK\$'000
2024		
If HK\$ weakens against RMB	5%	603
If HK\$ strengthens against RMB	5%	(603)

Credit risk and impairment assessment

As at 31 December 2025, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arose from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Trade receivables and contract assets arising from contracts with customers

As at 31 December 2025, the Group's concentration of credit risk by geographical locations of the projects is in Chinese Mainland, which accounted for HK\$62,206,000 (2024: HK\$95,343,000) of the trade receivables.

The Group has a concentration of credit risk from its major customers. For the year ended 31 December 2025, aggregate revenue from the top five customers of the Group accounted for 28.6% (2024: 28.8%) of the total revenue. As at 31 December 2025, balances due from them amounted to approximately HK\$29,450,000 (2024: HK\$13,453,000), representing 24.7% (2024: 10.1%) of the trade receivables. These major customers are mainly property developers in Hong Kong and MENA with good reputation.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality. Scoring attributed to customers is reviewed once a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under the ECL model on the balance including trade receivables and contract assets based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

Bank balances

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other receivables

The Group has considered that credit risk on other receivables has not increased significantly since initial recognition and has assessed the expected credit loss rate under the 12-month ECL method based on the Group's assessment in the risk of default of the respective counterparties.

As at 31 December 2025 and 2024, the Group has assessed that the expected loss rates for other receivables were immaterial. Thus, no loss allowance for other receivables was recognised.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables/ contract assets	Other financial assets
High	The counterparties are multinational companies, listed companies or entities in public sectors which have a low risk of default based on information developed internally or external resources	Lifetime ECL – not credit-impaired	12-month ECL
Medium	The counterparties are unlisted entities or small to medium entities	Lifetime ECL – not credit-impaired	12-month ECL
Low	There have been significant increases in credit risk since initial recognition based on information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposure of the Group's financial assets and contract assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	2025		2024		
					Gross carrying amount HK\$'000	Gross carrying amount HK\$'000	Gross carrying amount HK\$'000	Gross carrying amount HK\$'000	
Financial assets at amortised cost									
Trade receivables ¹	20	N/A	High	Lifetime ECL (provision matrix)	90,661		79,163		
			Medium	Lifetime ECL (provision matrix)	12,881		47,536		
			Low	Lifetime ECL (provision matrix)	19,084		6,059		
			Loss	Credit-impaired	27,525	150,151	10,936	143,694	
Bill receivables	20	N/A	High	12-month ECL	1,552	1,552	1,490	1,490	
Bank balances	22	A-3 to A-1+	N/A	12-month ECL	115,377	115,377	79,095	79,095	
Rental and utility deposits ²	19	N/A	High	12-month ECL	4,516	4,516	5,748	5,748	
Other receivables ²	19	N/A	High	12-month ECL	12,450	12,450	16,117	16,117	
Other items									
Contract assets ¹	21	N/A	High	Lifetime ECL (provision matrix)	135,581		133,559		
			Medium	Lifetime ECL (provision matrix)	39,411		77,503		
			Low	Lifetime ECL (provision matrix)	21,672		8,500		
			Loss	Credit-impaired	6,983	203,647	2,341	221,903	

Notes:

- For trade receivables and contract assets, the Group has applied the simplified approach to measure the loss allowance based on lifetime ECLs. Except for debtors which are credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix, grouped by internal credit rating.
- For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

The information about the exposure to credit risk for trade receivables and contract assets as at 31 December was as follows:

Gross carrying amount

Internal credit rating	Average loss rate	2025		Average loss rate	2024	
		Trade receivables HK\$'000	Contract assets HK\$'000		Trade receivables HK\$'000	Contract assets HK\$'000
Grades 1 to 5: High	1.78%	90,661	135,581	0.17%	79,163	133,559
Grade 6: Medium	1.44%	12,881	39,411	1.06%	47,536	77,503
Grades 7 to 8: Low	14%-21%	19,084	21,672	7.57%-10.94%	6,059	8,500
Grade 9: loss	100%	27,525	6,983	100%	10,936	2,341
		150,151	203,647		143,694	221,903

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure that relevant information about specific debtors is updated.

The movements in lifetime ECLs that have been recognised for trade receivables under the simplified approach are as follows:

	2025			2024		
	Lifetime ECL (not credit-impaired) HK\$'000	Lifetime ECL (credit-impaired) HK\$'000	Total HK\$'000	Lifetime ECL (not credit-impaired) HK\$'000	Lifetime ECL (credit-impaired) HK\$'000	Total HK\$'000
At beginning of year	1,209	10,936	12,145	3,396	8,293	11,689
Transfer to credit-impaired	(15,313)	15,313	-	(4,648)	4,648	-
Provision of impairment losses	21,997	1,035	23,032	4,190	625	4,815
Reversal of impairment losses	(2,798)	-	(2,798)	(1,662)	(2,468)	(4,130)
Derecognised upon deemed disposal of a subsidiary	-	-	-	-	-	-
Exchange realignment	57	241	298	(67)	(162)	(229)
At end of year	5,152	27,525	32,677	1,209	10,936	12,145

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

Gross carrying amount (Continued)

The movements in lifetime ECLs that have been recognised for contract assets under the simplified approach are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of year	4,277	4,495
Provision for impairment losses, net	8,510	(72)
Exchange realignment	175	(146)
At end of year	12,962	4,277

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of interest-bearing bank borrowings and ensures compliance with loan covenants.

At 31 December 2025, the Group had available unutilised bank facilities of HK\$10,000,000 (2024: HK\$5,000,000). The banks may at any time immediately modify, withdraw, terminate, cancel, suspend or make demand for repayment of the whole or any part of the facilities or vary the terms applicable to the facilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

The table below shows the maturity profile including both interest and principal cash flows of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments. To the extent that interest flows are at floating rates, the undiscounted amount is derived from the interest rate curve at the end of the reporting period.

	Weighted average interest rate %	On demand or less than 1 year HK\$'000	Over 1 year but less than 2 years HK\$'000	Over 2 years but less than 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount at 31 December HK\$'000
2025						
Trade payables	n/a	32,601	–	–	32,601	32,601
Financial liabilities included in other payables and accruals	n/a	28,901	–	–	28,901	28,901
Lease liabilities	6.03	9,600	8,051	1,170	18,821	17,816
Interest-bearing bank borrowings	4.68	80,312	–	–	80,312	80,000
Other interest-bearing borrowings	3.53	326	57	–	383	326
		151,740	8,108	1,170	161,018	159,644
2024						
Trade payables	n/a	28,984	–	–	28,984	28,984
Financial liabilities included in other payables and accruals	n/a	17,608	–	–	17,608	17,608
Lease liabilities	2.66	8,659	2,189	–	10,848	10,561
Interest-bearing bank borrowings	4.92	85,459	–	–	85,459	85,000
Other interest-bearing borrowings	3.19	1,801	413	–	2,214	1,966
		142,511	2,602	–	145,113	144,119

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

Note:

Included in the above interest-bearing bank borrowings of the Group are term loans and revolving loans with a carrying amount of HK\$80,000,000 (2024: HK\$85,000,000). The loan agreements contain a repayment on demand clause giving the bank the unconditional right to call the loans at any time and therefore, for the purpose of the above maturity profile, the total amount is classified as “on demand”.

Notwithstanding the above clause, the directors do not believe that the loans will be called in its entirety within 12 months from the end of the reporting period, and they consider that the loans will be repaid in accordance with the maturity dates as set out in the loan agreements. This evaluation was made considering: the financial position of the Group at the date of approval of the financial statements, the lack of events of default, and the fact that the Group has made all previously scheduled repayments on time.

In accordance with the terms of the loans which contain a repayment on-demand clause, the maturity profile of those loans as at 31 December, based on the contractual undiscounted payments and ignoring the effect of any repayment on demand clause, is as follows:

	Weighted average interest rate %	On demand or less than 1 year HK\$'000	Over 1 year but less than 2 years HK\$'000	Over 2 years but less than 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount at 31 December HK\$'000
2025						
Interest-bearing bank borrowings	4.68	80,312	–	–	80,312	80,000
2024						
Interest-bearing bank borrowings	4.92	85,459	–	–	85,459	85,000

Capital Risk Management Policies and Objectives

The objectives of the management of the Group for managing capital are to safeguard the Group's ability as a going concern in order to provide returns for shareholders and to support future development of business through optimisation of debt and equity balances. The Group's strategy remains unchanged from the prior year.

The capital structure of the Group consists of net debt, which includes the unsecured bank borrowings and other borrowings disclosed in Note 26 to the consolidated financial statements, net of cash and bank balances and equity attributable to owners of the Company, comprising issued capital, reserves and retained profits.

The Group reviews the capital structure periodically and manages its overall structure through payment of dividends, new share issues as well as issue of new debt or redemption of existing debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Investments in subsidiaries	114,173	107,046
Due from subsidiaries	180,466	175,339
Total non-current assets	294,639	282,385
Current assets		
Other receivables	730	802
Due from subsidiaries	18,914	9,416
Cash and bank balances	4,044	2,614
Total current assets	23,688	12,832
Net current assets	23,688	12,832
Net assets	318,327	295,217
Equity		
Issued capital	4,324	2,883
Reserves (Note)	314,003	292,334
Total equity	318,327	295,217

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserve is as follows:

	Share premium HK\$'000	Share option reserve HK\$'000	Retained profits/ (accumulated losses) HK\$'000	Total HK\$'000
At 1 January 2024	283,501	24,713	14,226	322,440
Loss and total comprehensive loss for the year	–	–	(30,106)	(30,106)
At 31 December 2024 and at 1 January 2025	283,501	24,713	(15,880)	292,334
Profit and total comprehensive income for the year	–	–	9,334	9,334
Cancellation of share options	–	(24,713)	24,713	–
Issue of shares upon right issue, net of share issue costs	12,335	–	–	12,335
At 31 December 2025	295,836	–	18,167	314,003

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 March 2026.

FINANCIAL SUMMARY

	For the year ended 31 December				
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
RESULTS					
Revenue	861,990	682,667	454,250	401,303	364,533
PROFIT/(LOSS) FOR THE YEAR	4,505	(11,136)	(19,080)	(14,419)	27,131
Attributable to:					
Shareholders of the Company	(1,139)	(18,797)	(21,240)	(14,851)	26,427
Non-controlling interests	5,644	7,661	2,160	432	704
	4,505	(11,136)	(19,080)	(14,419)	27,131
	As at 31 December				
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
ASSETS AND LIABILITIES					
Total assets	903,524	834,203	683,198	619,885	675,748
Total liabilities	(381,472)	(328,581)	(265,203)	(220,822)	(229,155)
NET ASSETS	522,052	505,622	417,995	399,063	446,593
Equity attributable to:					
Shareholders of the Company	468,912	438,182	415,771	396,407	441,978
Non-controlling interests	53,140	67,440	2,224	2,656	4,615
TOTAL EQUITY	522,052	505,622	417,995	399,063	446,593