



SUNDART HOLDINGS LIMITED
承達集團有限公司

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

A large, abstract geometric pattern composed of various colored triangles (green, orange, red, white) arranged in a complex, overlapping structure that resembles a stylized 'S' or a series of interconnected shapes. The pattern is set against a background of light green and white geometric shapes.

2025
ANNUAL REPORT

About us

Sundart is one of the leading integrated fitting-out contractors in Hong Kong, Macau, Singapore and the PRC, specialising in providing professional fitting-out works for commercial buildings, hotels and residential properties. Since commencing our fitting-out business in the PRC in 1988, we expanded our operations progressively to Hong Kong in 1996, Macau in 2005 and Singapore in 2021.

Over the years, we have undertaken a number of sizeable fitting-out projects across these regions. As a fitting-out contractor, we are responsible for the overall project implementation by providing, processing or arranging for the necessary materials, labour, engineering expertise and technical know-how required for the fitting-out works and carrying out corresponding project management so as to ensure that the fitting-out works conform to the contractual requirements, meet customers' expectation and are completed on time and within budget.

In addition, we are also engaged in the manufacturing in the PRC of, and international sourcing and distribution of, interior decorative materials business.

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Director

Mr. Liu Zaiwang (*Chairman*)

Independent non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

INTERNAL CONTROL COMMITTEE

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

COMPANY SECRETARY

Ms. Chui Muk Heung

AUTHORISED REPRESENTATIVES

Mr. Xie Jianyu
Ms. Chui Muk Heung

AUDITOR

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

LEGAL ADVISERS AS TO HONG KONG LAW

Kenneth Chong Law Office
Room 1408, 14/F, Dominion Centre
43-59 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited
Dah Sing Bank, Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

19/F, Millennium City 3
370 Kwun Tong Road
Kowloon
Hong Kong

Corporate Information

BVI PRINCIPAL SHARE REGISTRAR

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

**HONG KONG BRANCH SHARE REGISTRAR
AND TRANSFER OFFICE**

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17/F
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

STOCK CODE

1568

COMPANY'S WEBSITE

www.sundart.com

INVESTOR RELATIONS

Email: ir@sundart.com

Definitions

In this annual report, unless the context otherwise requires, the following terms shall have the meanings set out below.

“Acquisition”	the acquisition by the JV Company from Quarella Holdings of the entire issued share capital of Quarella Group and all amounts owing by Quarella Group to Quarella Holdings as at completion of the acquisition on 9 April 2025, details of which were disclosed in the announcement of the Company dated 9 April 2025
“AGM”	the annual general meeting of the Company to be held at 10:00 a.m. on Monday, 1 June 2026 at 19/F, Millennium City 3, 370 Kwun Tong Road, Kowloon, Hong Kong or any adjournment thereof
“Amended Deed”	an amended and restated deed of non-competition dated 25 July 2017 given by the controlling shareholders of the Company in favour of the Company (for itself and as trustee for each of its subsidiaries) to amend and restate a deed of non-competition dated 8 December 2015
“Articles of Association”	the second amended and restated articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Beijing Huayu”	北京花宇置業有限公司 (Beijing Huayu Real Estate Co., Ltd.*), a company established in the PRC with limited liability, a direct wholly-owned subsidiary of Jangho Chuangxin and a connected person of the Company
“Beijing Jiangheyuan”	北京江河源控股有限公司 (Beijing Jiangheyuan Holdings Co., Ltd.*), a company established in the PRC with limited liability and a controlling shareholder of the Company
“Board”	the board of Directors
“business day(s)”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which licensed banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“Caiyun International”	Caiyun International Investment Limited (彩雲國際投資有限公司), a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Yunnan Co and a substantial shareholder of the Company
“CG Code”	code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules
“close associates”	has the meaning ascribed to it under the Listing Rules

Definitions

“Company”	SUNDART HOLDINGS LIMITED 承達集團有限公司, a company incorporated in the BVI with limited liability, the shares of which are listed on the Stock Exchange (stock code: 1568)
“Company Secretary”	the company secretary of the Company
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules, and in the context of the Company, means Mr. Liu, Ms. Fu, Beijing Jiangheyuan, Jangho Co, Jangho HK and Reach Glory
“Director(s)”	the director(s) of the Company
“Dongguan Sundart”	東莞承達家居有限公司 (Dongguan Sundart Home Furnishing Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“ESG”	the environmental, social and governance
“FVTPL”	fair value through profit or loss
“Group” or “our” or “Sundart” or “us” or “we”	the Company and its subsidiaries
“Guangdong Sundart”	廣東承達智能環保建材科技有限公司 (Guangdong Sundart Digital Decoration Materials Technology Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“HK\$” or “HK dollars” or “cents”	Hong Kong dollars or cents, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Internal Control Committee”	the internal control committee of the Board
“Jangho Chuangxin”	北京江河創新地產有限公司 (Beijing Jangho Chuangxin Property Limited*) (formerly known as “江河創新地產股份有限公司 (Jangho Chuangxin Property Limited*)”), a company established in the PRC with limited liability. Jangho Chuangxin was previously owned as to 30% by Mr. Liu and 70% by Beijing Jiangheyuan, which in turn was owned as to 85% by Mr. Liu and 15% by Ms. Fu. It follows that Jangho Chuangxin was ultimately owned as to 89.5% by Mr. Liu and 10.5% by Ms. Fu. As at 31 December 2025, Jangho Chuangxin was owned as to 30% by Ms. Liu Kuihui (劉魁輝) (the sister of Mr. Liu) and 70% by Ms. Fu Haiyan (富海燕) (the sister of Ms. Fu). Therefore, Jangho Chuangxin is regarded as a deemed connected person of the Company
“Jangho Co”	江河創建集團股份有限公司 (Jangho Group Company Limited*), a joint stock limited company established in the PRC (the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601886)) and a controlling shareholder of the Company

Definitions

“Jangho Curtain Wall”	北京江河幕牆系統工程有限公司 (Beijing Jangho Curtain Wall System Engineering Co., Ltd.*), a company established in the PRC with limited liability, a direct wholly-owned subsidiary of Jangho Co, a fellow subsidiary of Reach Glory and a connected person of the Company
“Jangho HK”	Jangho Hong Kong Holdings Limited (江河香港控股有限公司), a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Jangho Co and a controlling shareholder of the Company
“Jangho Smart”	北京江河智慧光伏科技有限公司 (Beijing Jangho Smart Photovoltaic Technology Co., Ltd.*), a company established in the PRC with limited liability, a fellow subsidiary of Reach Glory and a connected person of the Company
“JV Company”	Quarella Global Limited, a company incorporated in the BVI with limited liability, which is owned as to 50% by GLORYEILD ENTERPRISES LIMITED and 50% by Lead Rise International Limited (朗昇國際有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“m ² ”	square metres
“Macau”	the Macau Special Administrative Region of the PRC
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Liu”	Mr. Liu Zaiwang (劉載望), the non-executive Director, a controlling shareholder of the Company and the spouse of Ms. Fu
“Ms. Fu”	Ms. Fu Haixia (富海霞), a controlling shareholder of the Company and the spouse of Mr. Liu
“Nomination Committee”	the nomination committee of the Board
“Philippines”	the Republic of the Philippines
“PRC”	the People’s Republic of China, excluding, for the purpose of this annual report, Hong Kong, Macau and Taiwan
“Previous Year”	the year ended 31 December 2024
“Quarella Group”	Quarella Group Limited (可維萊集團有限公司), a company incorporated in Hong Kong with limited liability
“Quarella Holdings”	Quarella Holdings Limited, a company incorporated in the BVI with limited liability

Definitions

“Reach Glory”	REACH GLORY INTERNATIONAL LIMITED, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of Jangho HK and a controlling shareholder of the Company
“Remuneration Committee”	the remuneration committee of the Board
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company, which was effective from 1 December 2015, and expired on 30 November 2025
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Sundart Beijing”	北京承達創建裝飾工程有限公司 (Sundart Engineering & Contracting (Beijing) Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Sundart Real Estate”	北京承達置業有限公司 (Beijing Sundart Real Estate Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Sundart Timber”	Sundart Timber Products Company Limited (承達木材制品有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Year”	the year ended 31 December 2025
“Yunnan Co”	雲南省康旅控股集團有限公司 (Yunnan Health & Cultural Tourism Holding Group Co., Ltd.*), a company established in the PRC with limited liability and a substantial shareholder of the Company
“%”	per cent

* The English translations of the Chinese names of companies established in the PRC or the properties located in the PRC are for identification purposes only.

Chairman's Statement

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual results of the Group for the Year.

The Year was marked by heightened geopolitical tensions, persistent inflationary pressures, and shifting monetary policies. Despite a complex and volatile operating landscape shaped by trade uncertainties and regional conflicts, the Group delivered resilient performance, driven by its strategic anticipation and adaptive business planning. Throughout the Year, the Group continued to optimise its operations, implement rigorous cost management measures and pursue a prudent yet flexible financial approach. This prudent strategy not only reinforced a strong balance sheet but also enhanced agility to pursue strategic initiatives and capture emerging market opportunities. During the Year, the Group successfully executed several large-scale projects across critical sectors, laying a solid foundation for its sustainable long-term growth and value creation.

During the Year, the Group achieved revenue of HK\$5,135.8 million (Previous Year: HK\$5,996.8 million), profit attributable to owners of the Company of HK\$267.3 million (Previous Year: HK\$320.8 million) and basic and diluted earnings per share of HK12.38 cents (Previous Year: HK14.86 cents). The Board has recommended a final dividend of HK5 cents per Share, representing a total payout of HK\$107.9 million, or 40.4% of the profit available for distribution for the Year.

Despite the challenging market environment, the Group continued to earn broad recognition and secured a substantial number of projects by leveraging its strong market reputation, proven management expertise, competitive cost advantages, solid financial position and unwavering commitment to delivering high-quality services that consistently exceed customer expectations. During the Year, the Group completed 106 fitting-out projects with a total contract sum of HK\$5,491.4 million, covering large-scale commercial buildings, hotel guestrooms and high-end residential properties. These achievements clearly demonstrate the sustained high level of trust that customers place in the Group's ability to consistently achieve and maintain superior project quality and execution standards.

Looking ahead, the Group remains cautiously optimistic about the economic outlook across its operating regions. With the steady recovery in tourism and cross-border activities, coupled with the government's ongoing initiatives to strengthen Hong Kong's position as a leading international financial and business centre, the local economy is expected to gain further momentum, creating new opportunities for the interior fitting-out industry. In this improving operating environment, the Group will continue to reinforce its core capabilities within its existing business lines, while proactively seeking development opportunities in its current service areas and selectively expanding into new geographic markets with potential.

On behalf of the Board, I would like to express my sincere gratitude to our Shareholders, customers and business partners for their continued trust and support. Above all, I extend my heartfelt appreciation to our management team and staff for their dedication and invaluable contributions to the sustained development of Sundart. With a clear strategy and a solid foundation, the Group is well positioned to pursue sustainable growth and create increasing value for our Shareholders and investors.

Liu Zaiwang
Chairman

Management Discussion and Analysis

BUSINESS REVIEW

The Group is one of the leading integrated fitting-out contractors in Hong Kong, Macau, Singapore and the PRC, specialising in providing professional fitting-out works for commercial buildings, hotels and residential properties. The Group also engages in the provision of alteration and addition and construction works in Hong Kong; and manufacturing in the PRC of, and international sourcing and distribution of, interior decorative materials. During the Year, the Group's fitting-out business contributed approximately 97.5% of the Group's revenue.

Notwithstanding persistent challenges in the operating environment, the Group has continued to strengthen its trusted reputation and premium brand positioning through years of consistent delivery. This solid standing is supported by its experienced management team, unwavering commitment to superior quality, reliable project execution, competitive cost structure and customer-centric approach, all of which have cultivated a loyal and expanding customer base. Leveraging these strengths and long-standing client trust, the Group is well positioned to capitalise on emerging market opportunities and achieve sustained growth and profitability in the coming years.

Fitting-out works

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

During the Year, the Group completed a total of 106 fitting-out projects, including 19 in Hong Kong, 9 in Macau, 1 in Singapore and 77 in the PRC. The total contract sum of such projects amounted to HK\$5,491.4 million, out of which HK\$1,687.1 million was recognised as revenue during the Year. As at 31 December 2025, the Group had 167 projects on hand (including contracts in progress and contracts signed but yet to commence), including 30 in Hong Kong, 6 in Macau, 5 in Singapore and 126 in the PRC. The total contract sum and value of the outstanding works of such projects as at 31 December 2025 amounted to HK\$13,117.2 million and HK\$6,778.2 million, respectively.

During the Year, the Group's revenue derived from its fitting-out business decreased by HK\$983.7 million or 16.4% year-on-year to HK\$5,008.7 million (Previous Year: HK\$5,992.4 million). Such decrease was primarily attributable to a number of sizeable fitting-out projects carried out in Hong Kong and Singapore during the Previous Year. As a result, the Group's revenue derived from its fitting-out business in Hong Kong and Singapore decreased by HK\$1,181.8 million, as compared to the Previous Year.

The Group's gross profit derived from its fitting-out business during the Year decreased by HK\$170.0 million or 21.0% year-on-year to HK\$640.9 million (Previous Year: HK\$810.9 million). The decrease in gross profit was mainly attributable to the decrease in revenue and the slight decrease of gross profit margin of its fitting-out business from 13.5% for the Previous Year to 12.8% for the Year.

Management Discussion and Analysis

Alteration and addition and construction works

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

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

During the Year, the Group's revenue derived from its alteration and addition and construction business increased by HK\$2.6 million or 108.3% year-on-year to HK\$5.0 million (Previous Year: HK\$2.4 million). Such increase was primarily driven by the final account agreement for a residential construction project.

The Group's gross loss derived from its alteration and addition and construction business was HK\$1.4 million during the Year (Previous Year: HK\$10.9 million), whilst the gross loss margin was 28.0% (Previous Year: 454.2%). Such gross loss and gross loss margin were primarily attributable to the additional overheads and/or cost incurred for a number of construction projects of commercial and residential buildings due to the rectification of work defects.

Manufacturing, sourcing and distribution of interior decorative materials

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

During the Year, the Group's revenue of its manufacturing, sourcing and distribution of interior decorative materials business derived from external customers increased by HK\$120.1 million to HK\$122.1 million (Previous Year: HK\$2.0 million). Such increase was due to a new sales order for timber products and marble from the Philippines during the Year.

In addition, the Group's gross profit derived from its manufacturing, sourcing and distribution of interior decorative materials business was HK\$45.2 million during the Year (Previous Year: HK\$0.2 million), whilst the gross profit margin was 37.0% (Previous Year: 10.0%). Such gross profit and gross profit margin for the Year were mainly generated by an order from a customer in the Philippines, which had a relatively high gross profit margin.

Management Discussion and Analysis

Principal risks

As at 31 December 2025, the Group was principally engaged in integrated fitting-out works in Hong Kong, Macau, Singapore and the PRC and manufacturing in the PRC of, and international sourcing and distribution of, interior decorative materials business. With an ever-changing business environment, the Group faces various business risks, challenges and uncertainties, including but not limited to: (i) the Group's contracts are non-recurring in nature and its business prospects heavily depend on its continuing success on project tenders; (ii) if the Group cannot effectively adapt to market conditions and customer preferences, or fails to provide competitive pricing, its success rate on project tenders may be adversely affected; (iii) the business strategies and performance of the Group's major customers may affect its business; (iv) the economy of Macau may adversely affect the Group's performance and financial condition; and (v) the Group relies on a few major customers. If the Group fails to retain such major customers, its business, financial condition and results of operations may be materially and adversely affected.

FINANCIAL REVIEW

Revenue, gross profit and gross profit margin

During the Year, the Group's revenue decreased by HK\$861.0 million or 14.4% year-on-year to HK\$5,135.8 million (Previous Year: HK\$5,996.8 million), its gross profit decreased by HK\$115.5 million or 14.4% year-on-year to HK\$684.7 million (Previous Year: HK\$800.2 million) and its gross profit margin remained at 13.3% for both years. Such decrease in revenue and gross profit were primarily due to the decrease in its fitting-out business as discussed under the paragraph headed "Business Review – Fitting-out works" above.

Other income, other gains and losses

The Group recorded net other income of HK\$38.0 million for the Year (Previous Year: HK\$2.3 million) which is primarily due to a decrease in net loss from the fair value changes of financial assets at FVTPL by HK\$54.9 million as compared to the Previous Year. Details of other income, other gains and losses are set out in note 7 to the consolidated financial statements in this annual report.

Profit for the year attributable to owners of the Company

The Group's profit for the year attributable to owners of the Company decreased by HK\$53.5 million or 16.7% year-on-year to HK\$267.3 million (Previous Year: HK\$320.8 million) as a result of the decrease in gross profit as discussed above.

Basic and diluted earnings per share

The Company's basic and diluted earnings per share for the Year was HK12.38 cents (Previous Year: HK14.86 cents), decreased by HK2.48 cents or 16.7% year-on-year, which is in line with the decrease in profit for the year attributable to owners of the Company. Details of earnings per share are set out in note 15 to the consolidated financial statements in this annual report.

Management Discussion and Analysis

Material acquisition and disposal

On 9 April 2025, GLORYEILD ENTERPRISES LIMITED, a direct wholly-owned subsidiary of the Company, Lead Rise International Limited 朗昇國際有限公司 and the JV Company entered into a shareholders' deed in relation to the formation of a joint venture company for the Acquisition.

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

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

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

Financial assets at FVTPL

As at 31 December 2025, the Group's financial assets at FVTPL comprised HK\$14.2 million and HK\$6.9 million (31 December 2024: HK\$17.0 million and HK\$6.5 million) of listed equity securities and financial products, respectively.

During the Year, the Group recognised a net fair value loss of HK\$2.4 million in profit or loss on its financial assets at FVTPL, mainly due to a decrease in the market prices of listed equity securities. This compares to a net loss of HK\$57.4 million in the Previous Year, which was mainly due to the expiry of an unlisted equity fund.

In terms of the prospects of the Group's financial assets at FVTPL, the performance of the listed equity securities and financial products held by the Group remain subject to financial market conditions, which may change rapidly and unpredictably.

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

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

Future plans for material investments or capital assets

As at 19 March 2026, the Group did not have any plans for material investments or capital assets.

Management Discussion and Analysis

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and financial resources and capital structure

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

During the Year, the Group continued to maintain solid financial and cash positions. As at 31 December 2025, the Group's net current assets amounted to HK\$2,619.4 million, representing a decrease of HK\$528.2 million from HK\$3,147.6 million as recorded as at 31 December 2024. The Group's bank balances and cash amounted to HK\$1,985.1 million, representing a decrease of HK\$655.8 million from HK\$2,640.9 million as recorded as at 31 December 2024. Such decrease mainly resulted from the use of funds for dividend payments and purchases of property, plant and equipment.

As at 31 December 2025, the bank borrowings of the Group amounted to HK\$40.6 million (31 December 2024: HK\$10.9 million), all of which will be repayable within one year. There is no seasonality on the Group's bank borrowings.

During the Year, the Group continued to maintain a healthy liquidity position. As at 31 December 2025, the Group's current assets and current liabilities amounted to HK\$6,056.5 million and HK\$3,437.1 million, respectively (31 December 2024: HK\$6,516.6 million and HK\$3,369.0 million, respectively). The Group's current ratio as at 31 December 2025 slightly decreased to 1.8 (31 December 2024: 1.9). The Group maintained sufficient liquid assets to finance its business operations during the Year.

As at 31 December 2025, the Group's gearing ratio of total debts (bank borrowings) divided by total equity was 1.1% (31 December 2024: 0.3%). The increase in gearing ratio was primarily due to the increase in the Group's bank borrowings.

As at 31 December 2025, the share capital and equity attributable to owners of the Company amounted to HK\$1,246.8 million and HK\$3,615.6 million, respectively (31 December 2024: HK\$1,246.8 million and HK\$3,724.6 million, respectively).

Charge on the Group's assets

The Group's assets pledged for securing certain bills payable, certain performance bonds, certain tender bonds and certain bank borrowings comprised pledged bank deposits and a commercial property, which amounted to HK\$138.3 million and nil, respectively as at 31 December 2025 (31 December 2024: HK\$55.5 million and HK\$82.6 million, respectively).

Contingent liabilities and capital commitments

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

As at 31 December 2025, the Group had capital commitments of HK\$27.6 million (31 December 2024: HK\$163.1 million) in relation to purchases of property, plant and equipment.

Management Discussion and Analysis

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

The Group operates in various regions with different foreign currencies including Macau Pataca, RMB, Singapore dollars and United States dollars. As at 31 December 2025, the Group's bank borrowings of HK\$40.6 million were made in RMB at fixed rates, and cash and cash equivalents held were mainly in HK dollars and RMB. As at 19 March 2026, the Group did not implement any foreign currencies and interest rates hedging policies. The Group's management will closely monitor the movement of both exchange rate and interest rate and will consider to hedge against any significant aforesaid exposure when necessary.

Credit risk exposure

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

EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to the Year and up to 19 March 2026 which had materially affected the Group's operating and financial performance.

EMPLOYEES AND REMUNERATION POLICIES

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

As at 31 December 2025, the Group had 1,575 employees (31 December 2024: 1,628 employees). The Group's gross staff costs (including the Directors' emoluments) increased by HK\$12.3 million or 2.4% year-on-year to HK\$524.8 million for the Year (Previous Year: HK\$512.5 million). Despite a reduction in headcount, staff costs increased primarily due to the under-provision of bonuses recognised in the Previous Year.

Management Discussion and Analysis

OUTLOOK

Hong Kong

While the overall market has not yet returned to pre-pandemic levels, the Group continues to maintain its leading position in the industry. The Group will spare no effort in deepening relationships with its long-standing customers, including major property developers and main contractors, while upholding the highest service standards to reinforce its market leadership. By consistently delivering outstanding performance, the Group aims to secure recurring business and create sustainable value for the Shareholders.

Macau

The Group remains confident in Macau's medium- to long-term growth prospects. Although the post-pandemic recovery in gaming has been slower than expected, major integrated entertainment resort operators continue to invest in property enhancements and new developments, with several large-scale projects expected in the coming years. The Group is actively preparing to capture these upcoming renovation and fitting-out opportunities. Its management team is fully committed to excellence in every resort and hospitality project, contributing to its customers' success while generating sustainable profits for the Shareholders.

Singapore

The Group's high-end hotel projects in Singapore have provided its operational stability and effectively diversified risk during periods of softer demand in the global market. This market continues to benefit from the rebound in tourism and ongoing investments in luxury hospitality. The Group will maintain rigorous quality control and project management excellence in this segment to safeguard margins and strengthen its regional reputation.

The PRC

While near-term economic growth has moderated, the Group remains selectively optimistic about the vast market potential in the PRC. Under the 15th Five-Year Plan for Economic and Social Development of the PRC, the government of the PRC has emphasised the development of safe, comfortable, eco-friendly and smart housing, along with improvements in overall living quality. The Group will capture these opportunities by targeting high-quality projects with financially sound customers, while maintaining a strong focus on prudent risk management and disciplined execution.

Overall

Looking ahead, the Group will continue to consolidate and strengthen its existing business foundations while actively pursuing selective expansion to further diversify its revenue streams and mitigate regional risks. This dual strategy aims to create a more stable and predictable earnings profile over the medium to long term.

Above all, the Group remains fully committed to maximising Shareholders value. Every decision, project and resource allocation is guided by one overriding goal: to execute with the highest standards of professionalism, efficiency and integrity. By doing so, the Group aims to generate sustainable profits, maintain healthy cash flows and deliver stable returns to the Shareholders.

Biographies of Directors and Senior Management

DIRECTORS

Executive directors

Mr. Ng Tak Kwan (吳德坤), aged 71, is the executive Director and chief executive officer of the Company. He is also a director of certain subsidiaries. Mr. Ng is one of the founders of the Group. He has been mainly focusing on the Group's daily operations since its commencement of business in 1986. He is also a member of the Remuneration Committee. Mr. Ng left the Group in 1996 and re-joined in October 1998. Currently, Mr. Ng is primarily responsible for the overall management of the business development of the Group. Mr. Ng obtained a bachelor's degree of science in civil engineering from the University of Calgary, Canada in June 1978. Mr. Ng resigned from non-executive director of Rykadan Capital Limited, a company listed on the Stock Exchange (stock code: 2288) on 1 October, 2025.

Mr. Ng Chi Hang (吳智恒), aged 50, is the executive Director. He is also a director of certain subsidiaries. Mr. Ng joined the Group as a quantity surveyor in Sundart Timber in September 2005 and is mainly responsible for overseeing the overall operation of the Group in Macau and Singapore. Prior to joining the Group, Mr. Ng was a quantity surveyor of Bridgewater & Coulton Limited from April 2000 to September 2002. Mr. Ng obtained a bachelor's degree of science in surveying from the University of Hong Kong, Hong Kong in December 1998 and a master's degree of science in construction and real estate from the Hong Kong Polytechnic University, Hong Kong in November 2004. He became a member of the Hong Kong Institute of Surveyors and professional member of the Royal Institution of Chartered Surveyors in February 2003. He has been a registered professional surveyor in the quantity surveying division of the Surveyors Registration Board of Hong Kong since April 2005.

Mr. Ding Jingyong (丁敬勇), aged 39, is the executive Director. He is also the president of Sundart Beijing and a director of 承達創建建設工程有限公司 (Sundart Chuangjian Construction Engineering Co., Ltd.*). Mr. Ding joined Sundart Beijing in 2013 and worked as a senior marketing manager of Team 3 of the marketing department until May 2014. From June 2014 to March 2015, he served as a general manager of Team 3 of the marketing department of Sundart Beijing. From April 2015 to July 2016, he worked as a vice president of Sundart Beijing. From August 2016 to January 2018, he was a vice president and a general manager of the marketing department of Sundart Beijing. From January 2018 onwards, he has been a president of Sundart Beijing. Mr. Ding has been a vice president of Jangho Co since August 2019. Mr. Ding is a non-executive director of Steve Leung Design Group Limited, a company listed on the Stock Exchange (stock code: 2262), from 23 June 2021 to present. Mr. Ding obtained a bachelor's degree in civil engineering from Hubei University of Technology Engineering and Technology College in 2008 and obtained a master's degree in business and administration from Fudan University in 2020.

Biographies of Directors and Senior Management

Mr. Guan Yihe (關义和), aged 42, is the executive Director. He is also a director of certain subsidiaries. Mr. Guan has over 17 years of experience in sales and marketing, and tendering for construction and architectural projects. He has been a director of business development and operation of the Company since February 2022. From June 2008 to September 2009, he was a sales representative of Jangho Curtain Wall Australia Pty Ltd. From October 2009 to January 2022, he was a vice president, a marketing manager and a sales representative of Jangho HK and Jangho Curtain Wall Macao Co., Ltd. Mr. Guan obtained a bachelor's degree in arts majoring in English from Nanyang Institute of Technology in 2006 and obtained a master's degree in management majoring in educational economics and management from Jinan University in 2008. Mr. Guan further completed a bachelor's degree in civil engineering from Zhejiang University in 2019.

Mr. Xie Jianyu (謝建瑜), aged 46, is the executive Director and chief financial officer of the Company. He is also a director of certain subsidiaries. Mr. Xie joined the Group in June 2012 and is mainly responsible for overseeing the financing, accounting and internal control, human resource and administrative management of the Group. He is also a member of the Internal Control Committee. Mr. Xie obtained a bachelor's degree in economics from Xiamen University (廈門大學), the PRC in July 2001 and a master's degree of business administration from the University of Hong Kong, Hong Kong in November 2015. Mr. Xie became a certified management accountant of the Institute of Management Accountants, the USA and a member of the Association of Chartered Certified Accountants in February 2008 and September 2014, respectively.

Non-executive director

Mr. Liu Zaiwang (劉載望), aged 54, is the non-executive Director and the chairman of the Board. Mr. Liu is primarily responsible for the overall strategy, investment planning and human resource strategy of the Group. He is also a member and the chairman of each of the Nomination Committee and Internal Control Committee. In February 1999, Mr. Liu founded Jangho Co, the controlling shareholder of the Company, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601886), which is principally engaged in the industries of curtain wall, interior decoration and design. He is the legal representative, director and chairman of Jangho Co and is responsible for the overall management of Jangho Co. Mr. Liu also assumes several social positions including the deputy to the National People's Congress of Shunyi District, Beijing, the PRC (北京市順義區人大代表) and the vice-chairman of the board of the Northeastern University (東北大學), the PRC.

Biographies of Directors and Senior Management

Independent non-executive directors

Ms. Tam Yin Ming Cecilia (譚燕明), aged 42, is an independent non-executive Director. She is a member of each of the Remuneration and the Nomination Committees and the chairlady of the Audit Committee. Ms. Tam has over 21 years of experience in the fields of auditing, corporate restructuring and corporate finance. She handled various initial public offerings, merger and acquisition transactions and fund-raising exercises. She has been the managing director and a responsible officer of Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) of Ignite Capital (Asia Pacific) Limited since December 2024. She started her career in the audit department of an international accounting firm in 2005 and then worked in the reorganisation services group of Deloitte Touche Tohmatsu in 2007. She was an analyst of the investment banking division of Piper Jaffray Asia Limited from 2007 to 2009. From 2009 to 2010, she was a senior associate of UOB Asia (Hong Kong) Limited. From 2010 to 2018, she served at Quam Capital Limited, an indirect wholly-owned subsidiary of Quam Plus International Financial Limited (stock code: 952.HK), with her last position as a director. She was the head of corporate finance unit of RHB Capital Hong Kong Limited from 2018 to 2020, an executive director of Titan Financial Services Limited from 2020 to 2021 and an executive director of Elstone Capital Limited from 2022 to 2023. Prior to co-founding Ignite Capital (Asia Pacific) Limited, she worked in China Sunrise Capital Limited, a wholly-owned subsidiary of China First Capital Group Limited (stock code: 1269.HK) from 2023 to 2024 with her last position as executive director. Ms. Tam is a member of CPA Australia. She received a Bachelor of Commerce degree from The University of Melbourne, Australia in 2004.

Mr. Huang Pu (黃璞), aged 53, is the independent non-executive Director. He is also a member of each of the Audit, Remuneration and Nomination Committees and the chairman of the Remuneration Committee. Mr. Huang worked in Huifu Investment Information Limited (匯富投資資訊有限公司) from May 2001 to June 2003. Mr. Huang has worked as a general manager at Beijing Xicheng Jinrui Investment Fund Management Co., Limited (北京熙誠金睿股權投資基金管理有限公司) since 28 June 2018. Currently, Mr. Huang is also an investment consultant in Beijing Dazhong Investment Co., Ltd (北京大中投資有限公司). He obtained a bachelor's degree in statistics, a master's degree in economics and a doctoral degree in finance from the Renmin University of China (中國人民大學), the PRC in July 1993, July 1996 and July 1999, respectively.

Mr. Li Zheng (李正), aged 68, is the independent non-executive Director. He is also a member of each of the Audit and Nomination Committees. Mr. Li has over 34 years of experience in legal practice. Mr. Li was a partner of Guangdong Run & Race Law Firm (廣東仁人律師事務所) from June 1996 to July 2010 and has been a partner of Guangdong Shentiancheng Law Firm (廣東深天成律師事務所) since August 2010. Mr. Li obtained a bachelor's degree of laws from Jilin University (吉林大學), the PRC in August 1983 and was qualified as a lawyer in the PRC in June 1989. He was accredited as "Outstanding Young Lawyer (優秀中青年律師)" by Zhejiang Provincial Department of Justice (浙江省司法廳) and Zhejiang Law Society (浙江省律師協會) in October 1989. Mr. Li obtained the training certification of independent director in March 2011, October 2013, July 2014, October 2015, September 2017, August 2020, December 2022, December 2023 and November 2024 respectively. Mr. Li was appointed as an independent director of 深圳華大智造科技股份有限公司 (MGI Tech Co., Ltd.*), a company listed on the Shanghai Stock Exchange (stock code: 688114), on 23 June, 2020.

Biographies of Directors and Senior Management

SENIOR MANAGEMENT

Mr. Chung Tsz Lung Jimmy (鍾子龍), aged 65, is the director of Sundart Timber. He joined the Group as the assistant general manager in August 2000 and is mainly responsible for overseeing the operation of the projects in high-end commercial properties and planning and supervising the tender procedure and subcontracting. Prior to joining the Group, Mr. Chung worked as quantity surveyor, contracts manager, assistant maintenance supervisor and project manager in various companies in Hong Kong and Canada. Mr. Chung obtained a higher diploma and associateship in building technology and management from the Hong Kong Polytechnic, Hong Kong (now known as the Hong Kong Polytechnic University, Hong Kong) in November 1982 and November 1983, respectively. Mr. Chung became a member of the Chartered Institute of Building of the United Kingdom in March 1988.

Mr. Chan Chung Ming (陳仲明), aged 57, is the design manager of Sundart Timber. He joined the Group as a design coordinator in September 2000. He is mainly responsible for overseeing the interior fitting-out works and monitoring the progress of design application for the projects. Mr. Chan has over 30 years' experience in interior design and shop drawing presentation of interior decorations for various types of buildings. Prior to joining the Group, Mr. Chan was a design coordinator in Sundart (CIL) Engineering Limited (承達建材工程有限公司) from July 1996 to July 1999. Mr. Chan was awarded a certificate in building studies (architectural) from the Morrison Hill Technical Institute, Hong Kong in August 1992 and graduated from the City University of Hong Kong, Hong Kong in December 1996 with a higher diploma in architectural studies. In 2009 he attended the ISO 14001: 2004 introduction training in the HKQAA.

Mr. Chiu Yeuk Ho (趙若濠), aged 65, is the senior project manager of Sundart Timber. He joined the Group as a quality assurance officer in June 2004 and was promoted to project manager in April 2005. He is mainly responsible for organising the projects and monitoring the progress of the projects. Mr. Chiu has accumulated over 42 years' experience in construction industry. He started his career as an assistant engineering in Shui On Construction Company Limited (瑞安建築有限公司) from February 1984 to July 1987. After that, he was a project coordinator and estimator of Arrow Aluminum Products Limited in Canada from 1987 to October 1992 and a project manager of Pentad Construction Company Limited (大有建築有限公司) from November 1992 to March 1996. He was a project manager of G+H Montage (Hong Kong Projects) Limited from July 1996 to October 1997. Mr. Chiu was a senior project coordinator of Hyundai Engineering & Construction Co., Ltd from November 1997 to June 2004. Mr. Chiu obtained a bachelor's degree in geography-survey science from the University of Alberta, Canada in June 1984.

Mr. Chan Tze Chiu (陳子昭), aged 63, is the senior project manager of Sundart Timber. He joined the Group as a project manager in January 2008 and was promoted to a senior project manager in July 2013. He is mainly responsible for organising the projects and monitoring the progress of the projects. Prior to joining the Group, Mr. Chan was the project manager of Enful Engineering Limited (銀豐工程有限公司) from August 1988 to August 1998. Mr. Chan obtained a bachelor's degree in civil engineering from Huaqiao University (華橋大學), the PRC in July 1987.

Biographies of Directors and Senior Management

Mr. Lau Mong Yu Alex (劉夢如), aged 63, is the senior purchasing manager of Sundart Timber. He joined the Group as a senior purchasing officer in August 2003. He is mainly responsible for coordinating all purchasing activities of the Group. With over 30 years of experience in the procurement field, Mr. Lau is experienced in procuring professional timber products and building and decoration related materials. Prior to joining the Group, Mr. Lau was the purchasing manager of Hong Kong Teakwood Works Limited (香港柚木製品有限公司) from March 1994 to October 2001.

Ms. Chui Muk Heung (徐木香), aged 57, is the Company Secretary and the chief accountant of the Company. Ms. Chui joined the Group as a senior accountant in November 2003. She is mainly responsible for the company secretarial, financial and accounting matters of the Group. Before joining the Group, Ms. Chui had worked as accounting professional in various companies including construction materials firms and accounting firms. She was employed as an accountant by K. Wah Construction Materials (Hong Kong) Limited (嘉華建材(香港)有限公司) in July 1997 and promoted to an assistant accounts manager in June 2001 and left in August 2002. Ms. Chui was accredited as an accounting technician in November 1990. She became a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants in February 2000 and March 2000, respectively.

Mr. To Ka Wah Kevin (杜嘉華), aged 52, is the contracts manager of Sundart Timber. He joined the Group in March 2013 and is mainly responsible for participating in tender and quotation and handling contracts related matters. Prior to joining the Group, Mr. To had previously worked for several engineering companies and interior design companies. Mr. To obtained a bachelor's degree of building in construction economics from the University of Technology Sydney, Australia in May 1998.

Corporate Governance Report

The Group has made continued efforts to incorporate the key elements of sound corporate governance into its management structure and internal procedures. The Group is committed to high standards of ethics, integrity and accountability in all aspects of business and ensuring that its affairs are conducted in accordance with applicable laws and regulations and for the benefits and in the interests of the Shareholders.

CORPORATE CULTURE AND VALUES

The Group is committed to ensuring that its affairs are conducted in accordance with its positive and progressive corporate culture and core values of open-minded, responsible and upright, which serves the guiding principles for the Group's operations and the Board's decision making.

The Board provides guidance to the management by defining the purpose, values and strategic direction of the Group, and plays a vital role in instilling a culture that continually reinforces the values of acting lawfully, ethically and responsibly. All Directors are expected to act with integrity, lead by example, and promote such a culture. For instance, appropriate policies and procedures are implemented to promote and reinforce the awareness of employees to act with honesty and integrity. By doing so, the Group believes that Shareholders value will be maximised in the long term.

CORPORATE GOVERNANCE CODE

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures in compliance with the principles and the CG Code set out from time to time.

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

Code provision C.1.5 of the CG Code specifies that the independent non-executive Directors and other non-executive Directors should attend general meetings of the Company to gain and develop a balanced understanding of the views of the Shareholders. An independent non-executive Director and the non-executive Director were absent from the last annual general meeting of the Company held on 2 June 2025 due to their other business commitments.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Corporate Governance Report

THE BOARD

Composition of the Board

As at 31 December 2025, the Board consisted of nine Directors comprising five executive Directors, one non-executive Director and three independent non-executive Directors. The composition of the Board during the Year and up to date of this annual report are as follows:

Executive Directors

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

Non-executive Director

Mr. Liu (*Chairman*)

Independent non-executive Directors

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

For biographical details of all Directors and senior management of the Group, please see “Biographies of Directors and Senior Management” in this annual report. To the best knowledge of the Directors, save as disclosed in the biographies of the Directors, there was no financial, business, family or other material or relevant relationships among the members of the Board during the Year.

Functions of the Board and delegation of powers

The principal function of the Board is to consider and approve the overall business plans and strategies of the Group, develop and implement the corporate governance function and supervise the implementation of these policies and strategies and the management of the Group. The Group has an independent management team, which is led by a team of senior management with substantial experience and expertise in the Group’s business.

The Board delegates day-to-day operations of the Group to the executive Directors and management of the Group with department heads responsible for different aspects of the business/functions, while reserving certain key matters in making strategic decision for its approval. When the Board delegates aspects of its management and administration functions to management, it gives clear directions as to the powers of management, in particular, with respect to the circumstances where management needs to report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

Corporate Governance Report

Board and general meetings

The Directors can attend meetings in person or through other means of electronic communication in accordance with the Articles of Association. All minutes of the Board meetings were recorded in sufficient details of the matters considered by the Board and the decisions reached.

Pursuant to code provision C.5.1 of the CG Code, the Board should meet regularly and board meetings should be held at least four times a year. During the Year, the Board held 14 meetings, four of which were regular meetings.

The attendance record of each Director at the Board meetings, the Audit Committee meetings, the Remuneration Committee meetings, the Nomination Committee meetings, the Internal Control Committee meetings and the general meetings of the Company held during the Year was as follows:

Directors	Attendance/Number of meetings held					2025 Annual general meeting
	Board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings	Internal Control Committee meetings	
Executive Directors						
Mr. Ng Tak Kwan	14/14	N/A	1/1	N/A	N/A	1/1
Mr. Ng Chi Hang	14/14	N/A	N/A	N/A	N/A	1/1
Mr. Ding Jingyong	14/14	N/A	N/A	N/A	N/A	1/1
Mr. Guan Yihe	14/14	N/A	N/A	N/A	N/A	1/1
Mr. Xie Jianyu	14/14	N/A	N/A	N/A	2/2	1/1
Non-executive Director						
Mr. Liu	7/14	N/A	N/A	1/1	2/2	0/1
Independent non-executive Directors						
Ms. Tam Yin Ming Cecilia	7/14	2/2	1/1	1/1	N/A	1/1
Mr. Huang Pu	7/14	2/2	1/1	1/1	N/A	0/1
Mr. Li Zheng	7/14	2/2	N/A	1/1	N/A	1/1

Mechanism to ensure independent views to the Board

The Board has established a mechanism to ensure independent views and input are available to the Board. The mechanism covers the channels for the Directors to seek advice from external professional advisors in appropriate circumstances at the Company's expenses in performing their duties; the chairman of the Board meets with the independent non-executive Directors at least once annually; and the Nomination Committee reviews the composition of the Board and the independence of the independent non-executive Directors annually. The Board has reviewed and considered that the aforementioned mechanism has been properly implemented and remains effective during the Year.

Corporate Governance Report

Directors' appointment and re-election

Each of the Directors is engaged on a service agreement for a term of 3 years, subject to retirement and re-election provisions set out in the Articles of Association, the Listing Rules and the BVI Business Companies Act. The appointment may be terminated by giving 3 months' written notice in accordance with the terms of the service agreement.

In compliance with code provision 4(2) of Core Shareholder Protection Standards as set out in Appendix A1 to the Listing Rules, any person appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office until the first annual general meeting after appointment, and shall then be eligible for re-election. By virtue of article 74(3) of the Articles of Association, 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 only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

In compliance with code provision B.2.2 of the CG Code, every director should be subject to retirement by rotation at least once every three years. Furthermore, pursuant to article 75(1) of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. A retiring director shall be eligible for re-election.

Independent non-executive Directors

The Company has had three independent non-executive Directors which complies with Rules 3.10(1) and 3.10A of the Listing Rules. Among these three independent non-executive Directors, Ms. Tam Yin Ming Cecilia has appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules. The Nomination Committee reviewed the independence of independent non-executive Directors and was of the view that each of Ms. Tam Yin Ming Cecilia, Mr. Huang Pu and Mr. Li Zheng satisfied the requirement under Rule 3.13 of the Listing Rules. The Company considers each of Ms. Tam Yin Ming Cecilia, Mr. Huang Pu and Mr. Li Zheng continues to be independent.

Each of Mr. Huang Pu and Mr. Li Zheng has served the Company for more than 9 years. During the period of their tenure, they have provided independent professional advice and insight to the Board. They have never been involved in the daily management of the Company. The Board considered that the long service of the above independent non-executive Directors will not affect their exercise of independent judgment and was satisfied that each of Mr. Huang Pu and Mr. Li Zheng has the required integrity and experience to continue fulfilling the role of an independent non-executive Director, and believes that they are still independent.

Chairman and chief executive officer

According to code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Mr. Liu is the chairman of the Board and Mr. Ng Tak Kwan is the chief executive officer. Therefore, code provision C.2.1 of the CG Code has been complied with.

Corporate Governance Report

Directors' and officers' liabilities

The Company has arranged for appropriate insurance covering the liabilities in respect of legal action against the Directors and officers that may arise out of its corporate activities. The insurance coverage is reviewed on an annual basis.

Continuing professional development

Each newly appointed Director receives comprehensive, formal and tailored induction on or before the first occasion of his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Group and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements. The Directors are continually updated on the legal and regulatory developments, as well as business and market changes, to facilitate the discharge of their responsibilities.

In order to ensure the Directors' contribution to the Board remains informed and relevant and to develop and refresh knowledge and skills of the Directors, the Company has encouraged and funded suitable trainings for Directors to participate in continuous professional developments. During the Year, the record of the trainings of the Directors, on a named basis, is set out in the table below.

	Reading journals, written training materials and/or updates	Attending courses, seminars, conferences and/ or forums
Executive Directors		
Mr. Ng Tak Kwan	✓	✓
Mr. Ng Chi Hang	✓	✓
Mr. Ding Jingyong	✓	✓
Mr. Guan Yihe	✓	✓
Mr. Xie Jianyu	✓	✓
Non-executive Director		
Mr. Liu	✓	✓
Independent non-executive Directors		
Ms. Tam Yin Ming Cecilia	✓	✓
Mr. Huang Pu	✓	✓
Mr. Li Zheng	✓	✓

Note: All of the abovementioned trainings are relevant to the Group's business, economy, corporate governance, rules and regulations, accounting, financial or professional skills and/or directors' duties and responsibilities.

Corporate Governance Report

BOARD COMMITTEES

Audit Committee

The Audit Committee was established with written terms of reference which are in compliance with the CG Code and are available on the respective websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and removal of the external auditor, review the financial statements, provide advice in respect of financial reporting, review the risk management and internal control systems, and the effectiveness of the Group's internal audit function.

The Audit Committee comprises three independent non-executive Directors. It was chaired by Ms. Tam Yin Ming Cecilia; and the members are Mr. Huang Pu and Mr. Li Zheng.

The Audit Committee has performed the following works during the Year and up to the date of this annual report:

- to review, *inter alia*, the annual results of the Group for the years ended 31 December 2024 and 2025, and the interim results of the Group for the six months ended 30 June 2025;
- to review of the Group's risk management, internal control systems, financial reporting systems, and financial and accounting principles and policies;
- to review of the audit plan for the year ended 31 December 2025;
- to recommend to the Board to re-appoint the external auditor at the 2025 annual general meeting and the AGM;
- to review the effectiveness of the internal audit function of the Company;
- to review the findings in the internal control report;
- to review the 2025 and 2026 internal audit plans;
- to review the continuing connected transactions of the Group; and
- to review the compliance with the terms of the Amended Deed.

Remuneration Committee

The Remuneration Committee was established with written terms of reference which are in compliance with the CG Code and are available on the respective websites of the Stock Exchange and the Company. The primary duties of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group, review performance based remuneration and ensure none of the Directors determine their own remuneration.

Corporate Governance Report

The Remuneration Committee comprises two independent non-executive Directors and one executive Director. It was chaired by Mr. Huang Pu; and the members are Ms. Tam Yin Ming Cecilia and Mr. Ng Tak Kwan.

The Remuneration Committee has performed the following works during the Year and up to the date of this annual report:

- to review, *inter alia*, the performance and remuneration package of the Directors;
- to review the Company's policy and structure for remuneration of all members of senior management of the Group; and
- to recommend to the Board on the remuneration of executive Directors (where Mr. Ng Tak Kwan abstained from voting in determining his own remuneration) and senior management.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management by band for the Year is set out below:

Remuneration bands (HK\$)	Number of individual(s)
1,000,001 to up to 2,000,000	7

Further particulars in relation to Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix D2 to the Listing Rules are set out in notes 12 and 13 to the consolidated financial statements, respectively in this annual report.

Remuneration policy for Directors and senior management

The remuneration payable to the employees includes salaries and allowances. The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. Subject to the Group's profitability, the Group may also provide a discretionary bonus to employees as an incentive for their contribution to the Group. The Remuneration Committee makes recommendations to the Board on the remuneration packages of all Directors and senior management, having regard to the Company's operating results, individual performance and comparable market statistics. The primary goal of the remuneration policy with regard to the remuneration packages of the executive Directors is to enable the Group to retain and motivate the executive Directors by linking their compensation with performance as measured against corporate objectives achieved. Each of the executive Directors is entitled to the remuneration packages including basic salaries and discretionary bonuses.

Nomination Committee

The Nomination Committee was established with written terms of reference which are in compliance with the CG Code and are available on the respective websites of the Stock Exchange and the Company. The primary duties of the Nomination Committee include reviewing the structure, size, and composition of the Board, assessing the independence of independent non-executive Directors and making recommendations to the Board on matters relating to the appointment of Directors.

Corporate Governance Report

The Board is empowered under the Articles of Association to appoint any person as a Director either to fill a casual vacancy or, as an additional member of the Board. Qualified candidates will be proposed by the Nomination Committee to the Board for consideration and the selection criteria are mainly based on the assessment of their professional qualifications and experience. The Board selects and recommends candidates for directorship to the Shareholders having regards to the balance of skills and experience appropriate to the Group's business.

The Nomination Committee comprises one non-executive Director and three independent non-executive Directors. It was chaired by Mr. Liu; and the members are Mr. Huang Pu, Mr. Li Zheng and Ms. Tam Yin Ming Cecilia.

The Nomination Committee has performed the following works during the Year and up to the date of this annual report:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board as well as the policy concerning the diversity of the members of Board;
- to assess the independence of the independent non-executive Directors;
- to review the policy for nomination of directors, performed by the Nomination Committee;
- to review the nomination procedures and the process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship;
- to review the achievement of the measurable objectives set out in the board diversity policy; and
- to determine the rotation of the Directors at the 2025 annual general meeting and the AGM.

Nomination policy

The Company has adopted a nomination policy for the Nomination Committee to select and recommend candidates for directorship. Details of the nomination procedures and process and the selection criteria are disclosed below.

Nomination procedures and process

The Nomination Committee will review the structure, size and composition of the Board and make recommendations on any proposed changes of the Board. The Nomination Committee will identify or select suitable candidates by referrals, advertising or recommendations from an independent third agency with due consideration of the selection criteria (as hereinafter mentioned). By conducting evaluation of candidates, including interviews, presentations, background checks and third-party reference checks, the Nomination Committee will determine a candidate suitable for directorship and make recommendations to the Board for appointment. The Nomination Committee will also review the performance of retiring Directors and make recommendation to the Board for the continuance, re-appointment or removal of Directors. The Board will have the final authority on determining the selection of nominees.

Corporate Governance Report

Selection criteria

While recommending any potential Board members or re-appointment of existing members to the Board, the Nomination Committee shall consider a number of factors, including but not limited to the following:

- skills, knowledge and experience relevant to the industry and the operations of the Group;
- diversity need in all aspects as set out in the board diversity policy;
- integrity, character, judgment, independence, corporate experience, length of service, potential conflicts of interest and other commitments;
- commitment in respect of sufficient time to effectively discharge fiduciary duties of Directors;
- details of substantial interest in the Group and the relationship with the existing Directors;
- number of listed company directorship for independent non-executive Directors; and
- any other factors as the Nomination Committee may deem fit to consider in the best interests of the Group and the Shareholders.

Amendments to the nomination policy

In case of any amendments or clarifications issued by the relevant authorities, not being consistent with the nomination policy, such amendments or clarifications shall prevail upon the nomination policy and the nomination policy will be amended accordingly. The Nomination Committee has the power to amend the nomination policy from time to time.

Board diversity policy

The Company has adopted a board diversity policy. A summary of this policy, the measurable objectives set for implementing this policy, and the progress made towards achieving those objectives are disclosed below.

Summary of the board diversity policy

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable objectives

Selection of candidates will be based on a range of diversified perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition will be disclosed in the corporate governance report annually in accordance with the Listing Rules.

Corporate Governance Report

Monitoring

The Nomination Committee has reviewed the achievement of the measurable objectives as set out in the board diversity policy.

Diversity of the Board

The Company is committed to equal opportunities in all aspects of its business and does not discriminate on grounds of gender, family status, disability, nationality, race, ethnicity, religious or philosophical belief, age, sexual orientation, or any other factor.

The Company recognises and embraces diversity in the boardroom. The Company believes that a diversity of perspective can benefit the Company and diversity can be achieved by considering factors such as gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments are therefore made based on merit, and candidates are considered against various objective criteria, with due regard for the benefits of diversity on the Board.

As at 31 December 2025 and up to the date of this annual report, the Board comprised 9 Directors, consisting of 8 male Directors and 1 female Director. The gender diversity of the Board was achieved. The Board aims to maintain at least the current level of female representation, and this target will be reviewed by the Nomination Committee annually.

The existing members of the Board possess a diverse range of expertise, including experts from the fitting-out industry, as well as specialists in investment and finance. Some of them are professionals in project management, finance, accounting and legal with extensive experience. The Nomination Committee will continue to monitor and actively consider different aspects of diversity in the boardroom, take into account the factors of gender diversity when recruiting suitable candidates for mid to senior management of the Company in the future, and recommend further actions or plan to the Board when necessary, so as to develop a pipeline of potential successors for the Board and continue to enhance gender diversity in the Board in the coming years. Gender diversity at workforce levels (including our senior management) is disclosed under the "Environment, Social and Governance Report" of this annual report.

In view of the present size and complexities of the Group's operations and the nature of the risks and challenges it faces, the Board considers that the Group's board diversity policy was effective.

ACCOUNTABILITY AND AUDIT

Directors' and auditor's responsibilities for the consolidated financial statements

All Directors acknowledge their responsibility to prepare the Group's consolidated financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the consolidated financial statements for the Year, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. A statement by auditor about their reporting responsibilities on the consolidated financial statements is set out in the independent auditor's report in this annual report. The Directors continue to adopt the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Corporate Governance Report

Auditor's remuneration

During the Year, the remuneration paid or payable to the auditor of the Company, BDO Limited, in respect of their audit and non-audit services was as follows:

	<i>HK\$'000</i>
Audit service fee	1,040
Non-audit service fee (included interim financial review and tax compliance services)	403
Total	1,443

CORPORATE GOVERNANCE FUNCTIONS

The Board has performed the following corporate governance duties of the Company in accordance with the written terms of reference adopted by the Board during the Year and up to the date of this annual report:

- to develop and review the policies and practices on corporate governance of the Company and make recommendations;
- to review and monitor the training and continuous professional development of Directors and management of the Group;
- to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual, if any, applicable to Directors and employees of the Group; and
- to review the Company's compliance with the CG Code and the disclosure in the corporate governance report of the Company.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group has a risk management procedure and an internal control system that are characteristics of a clear governance structure, policy procedure and reporting mechanism, to help the Group manage its risks in all business segments.

The Group has established an organisational structure for risk management, composed of the Board, the Audit Committee, the risk management team, and the business departments, management and staff of the Group. The Board evaluates and determines the nature and extent of risks that the Group is willing to accept in achieving its strategic objectives, and ensures that it establishes and maintains proper and effective risk management and develops a suitable corporate risk culture. The Board also monitors the coordination among the staff, corporate strategy, risk, internal control and compliance.

The Group has also developed and adopted a management system for corporate risks, which provides effective solutions to risk identification, evaluation and management. For at least once a year, the risk management team identifies the risks affecting the Group in realising its business objectives, works out ratings and rankings for such risks based on their possibility and impact, formulates solutions and strategies to significant risks, and designates the key risk owner in charge of addressing such risks.

Corporate Governance Report

The Board has an ongoing responsibility for maintaining the Group's system of internal control, the evaluation and management of risk and reviewing their effectiveness as a whole and safeguarding the interests of the Company and the Shareholders. In addition, the Group has engaged an independent professional advisory firm to assist the Board and the Audit Committee in on-going monitoring of the internal control systems of the Group by identifying deficiencies in the design and implementation of internal controls and proposing recommendations for improvement. The Directors have reviewed the need for an internal audit function within the Group and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal control functions for the Group in order to meet its needs.

Risk management report and internal control report are submitted to the Audit Committee and the Board annually. The Board had performed annual review on the changes in the nature and extent of significant risks (including ESG risks); the effectiveness of the Group's risk management and internal control systems for the Year, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's ongoing monitoring of risks (including ESG risks) and of the internal control systems; the extent and frequency of communication with the Board in relation to results of risk management and internal control review; significant control failures or weaknesses identified and their related implications; effectiveness of the Group's process for financial reporting and the Listing Rules compliance. The Board considers the Group's risk management and internal control systems are effective and adequate.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group complies with the requirements of the SFO and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensuring that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

Corporate Governance Report

SHAREHOLDERS ENGAGEMENT

The Company values communication with the Shareholders. The Company uses two-way communication channels to account to Shareholders for the performance of the Company. Enquiries and suggestions from Shareholders are welcomed, and enquiries may be put to the Board through the following channels to the Company Secretary:

1. By mail to the Company's principal place of business at 19/F, Millennium City 3, 370 Kwun Tong Road, Kowloon, Hong Kong;
2. By fax number 2490 0685; or
3. By email at ir@sundart.com

The Company uses a number of formal communication channels to account to the Shareholders for the performance of the Company. These include (i) the publication of interim and annual reports; (ii) the annual general meeting or extraordinary general meeting providing a forum for the Shareholders to raise comments and exchange views with the Board; (iii) updated key information of the Group available on the respective websites of the Stock Exchange and the Company; (iv) the Company's website offering communication channel between the Company and its Shareholders; and (v) the Company's branch share registrar in Hong Kong serving the Shareholders in respect of all share registration matters.

The Company aims to provide its Shareholders with high standards of disclosure and financial transparency. The Board is committed to providing clear, detailed, timely manner and on a regular basis information of the Group through the publication of interim and annual reports and/or dispatching circulars, notices, and other announcements.

The Company strives to take into consideration its Shareholders' views and inputs, and address Shareholders' concerns. Shareholders are encouraged to attend the annual general meeting for which at least 20 clear business days' notice shall be given. The chairman of the Board as well as chairmen of the Audit Committee, the Nomination Committee and the Remuneration Committee, or in their absence, the Directors are available to answer the Shareholders' questions on the Group's businesses at the meeting. To comply with code provision F.1.3 of the CG Code, the management of the Group will ensure the external auditor to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

The Board has established a Shareholders' communication policy. In light of the policies and communication channels already in force, and the annual general meeting of the Company held during the Year which enabled the Directors to exchange views with the Shareholders and answer their questions, the Board has reviewed and considered that the Company's Shareholders' communication policy has been appropriately implemented and remains effective during the Year.

In order to promote effective communication, the Company also maintains a website (www.sundart.com) which includes the latest information relating to the Group and its businesses.

Corporate Governance Report

SHAREHOLDERS' RIGHTS

As one of the measures to safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual Directors, for Shareholders' consideration and voting. Besides, various rights of Shareholders, including the right to propose resolutions, are contained in the Articles of Association.

The summary of certain rights of the Shareholders is disclosed below.

Procedures for convening general meetings and putting forward proposals at general meetings

According to article 49 of the Articles of Association, any one or more Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the issued Shares carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and add resolutions to the meeting agenda of such meeting; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting for a day not more than 28 days after the date on which the notice convening the meeting is given, the requisitioner(s) himself (themselves), or any of them representing more than one-half of the total voting rights of all of them, may do so in the same manner but any meeting so convened shall not be held after the expiration of three months from the date of deposit of requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

Any requisition to convene an extraordinary general meeting or proposal to be put forward at the general meeting can be addressed to the principal place of business in Hong Kong of the Company marked with the attention of the Board or the Company Secretary or to the Hong Kong branch share registrar of the Company at Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. The requisitionists must state in their request(s) the objects of the extraordinary general meeting to be convened, and such request must be signed by all the requisitionists. Upon receipt, the Company will verify the requisitionists' particulars and if the request is in order, the Company will convene the extraordinary general meeting in accordance with the Articles of Association.

Procedures for propose a person for election as a Director

The procedures for proposing a person for election as a Director are posted on the Company's website at www.sundart.com.

Corporate Governance Report

DIVIDEND POLICY

The Board adopted a dividend policy in recommending dividends, to allow the Shareholders to participate in the Company's profits and the Company to maintain adequate reserves to meet its future growth.

The Directors intend to declare dividends, if any, in HK dollars with respect to Shares on a per Share basis and will pay such dividends in HK dollars. Any final dividend for a financial year will be subject to the Shareholders' approval. The Directors consider that dividends to be declared and paid will depend on a number of factors. The Directors intend, subject to certain limitations, and in the absence of any circumstances which might reduce the amount available for distribution whether by losses or otherwise, to distribute to the Shareholders approximately 40% of profits available for distribution for the financial years. Such declarations of dividends, however, will only be recommended by the Directors after taking into account, among other things, the Group's results of operations, cash flows and financial condition, operating and capital requirements, prevailing economic climate, the amount of distributable profits based on HKFRS Accounting Standards, the memorandum of association of the Company, the Articles of Association, the BVI Companies Act, applicable laws and regulations and such other factors which the Directors may deem relevant. There is, however, no assurance that dividend of such amount or any amount will be declared or distributed in any financial year.

The Board keeps the Company's dividend policy under regular review and reserves the right in its sole and absolute discretion to update, amend or modify the policy at any time. The dividend policy does not constitute a legally binding commitment by the Company in respect of future dividends, nor does it in any way obligate the Company to declare or pay any dividends at any time. The Board confirmed that all dividend decisions during the Year were made in accordance with the Company's dividend policy.

CONSTITUTIONAL DOCUMENTS

There was no change to the Company's constitutional documents during the Year. The Company's constitutional documents are available on the respective websites of the Stock Exchange and the Company.

COMPANY SECRETARY

The Company Secretary is Ms. Chui Muk Heung. Details of the biography of the Company Secretary are set out in the section headed "Biographies of Directors and Senior Management" in this annual report.

According to the Rule 3.29 of the Listing Rules, the Company Secretary has taken no less than 15 hours of relevant professional training for the Year.

Environmental, Social and Governance Report

ABOUT THE REPORT

The Group maintains a strong commitment to fulfilling its corporate social responsibilities alongside the pursuit of sustainable business development.

This ESG Report presents the Group's ESG performance during the Year, in compliance with the provisions of the Environmental, Social and Governance Reporting Code (the "**ESG Reporting Code**") as contained in Appendix C2 to the Listing Rules.

Reporting Scope

This ESG Report focuses on the key environmental and social matters identified through the Group's materiality assessment, pertaining to its core operations under direct managerial control during the Year. It encompasses relevant management approaches, initiatives, regulatory compliance, key performance indicators and related disclosures.

The reporting scope remains consistent with that of the Previous Year, with no material changes. Unless otherwise stated, the scope covers the Group's fitting-out operations in Hong Kong, Macau, Singapore and Mainland China, as well as the manufacturing, sourcing and distribution of interior decorative materials in Dongguan.

Reporting Standard

The reporting standard adopted herein follows the principles of materiality, quantitative, balance and consistency as stated in the ESG Reporting Code:

Principles	Descriptions
Materiality	The purpose of the materiality assessment is to identify significant ESG issues that have business-related implications for the Group and to examine their direct and indirect effects on stakeholders and the Group's long-term sustainability. The relevant issues are identified by engaging with the key stakeholders and holding internal discussions. The section titled Materiality Assessment provides a summary of the results.
Quantitative	The ESG performance is disclosed in accordance with the ESG Reporting Guide using reliable methodologies and environmental and social key performance indicators (" KPIs "), and internationally recognised methodologies for specific calculations with measurable figures so that the effectiveness of our ESG policies and management systems can be evaluated and validated. Please refer to the relevant data and notes for details.
Balance	The Group discloses both positive and negative issues and performance regarding its business. The environmental and social KPIs are calculated and presented in accordance with the ESG Reporting Guide. As shown in the relevant sections of the report, robust methodologies are utilised. Data comparisons in the recent years are provided to compare the year-on-year ESG performance.
Consistency	In comparison with the previous year, the ESG report adopts the same methodologies, standards, and reporting scope to remain consistency.

Environmental, Social and Governance Report

ESG GOVERNANCE

The Group maintains its pledge to govern its operations with sustainability concepts and the key principles of ESG, as well as setting its business strategies.

Board Oversight

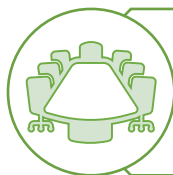
The Board is responsible for overseeing Sundart's sustainability management, formulating the Group's governance strategies and ESG guidelines, regularly evaluating ESG performance, and addressing underlying issues. The Group implements specific strategies for each department, manages daily ESG challenges, and closely monitors the advancement of the ESG goals, assessing the consequences of the measures taken with the support of diverse management groups. After a review by the management, the ESG report will be approved by the Board.

To support management in addressing relevant ESG challenges, the Group has established dedicated teams, including the environmental and safety management committee comprised of individuals with specialised management expertise and professional background.

The Board has incorporated sustainability objectives and action plans into the development roadmap for each business unit to substantially enhance the effectiveness of the ESG initiatives. The objectives, targets and programmes 2025 set for the year were achieved and evaluated during the management review meeting. Details are shown under the sections "Product responsibility", "Caring for employees", and "Protecting our environment" section.

ESG Risk Management

The Board has established an overarching risk management framework to govern the Group's risk assessment, evaluation, and mitigation efforts. This procedure ensures the suitability and efficacy of our risk management strategy and internal control systems. Key ESG concerns such as energy consumption, environmental pollution, and health and safety are fully incorporated into the risk management framework.



The Board

- Establishing the Group's risk management framework
- Formulating the governance strategies and memorandum of ESG for the Group
- Continuously reviewing the ESG performance



Management Group

- Executing strategies tailored for departments
- Managing daily ESG matters
- Closely monitoring the targets set
- Evaluating the effects of measures taken



Environmental and Safety Management Committee

- Assisting the management in dealing with ESG matters

Environmental, Social and Governance Report

ENGAGEMENT OF STAKEHOLDERS

Fostering robust relationship with stakeholder is a top priority for the Group. We regularly engage our internal and external stakeholders through diverse approaches to provide effective progress updates that address their concerns and expectations; thereby enhancing mutual trust between the Group and its stakeholders. This aids us in identifying the material issues relevant to our business operations.

Stakeholders comprise groups that are directly influenced by our business or that influence our operations, such as employees, customers, owners, shareholders, investors, suppliers, business partners, governments and regulators, community organisations and others.

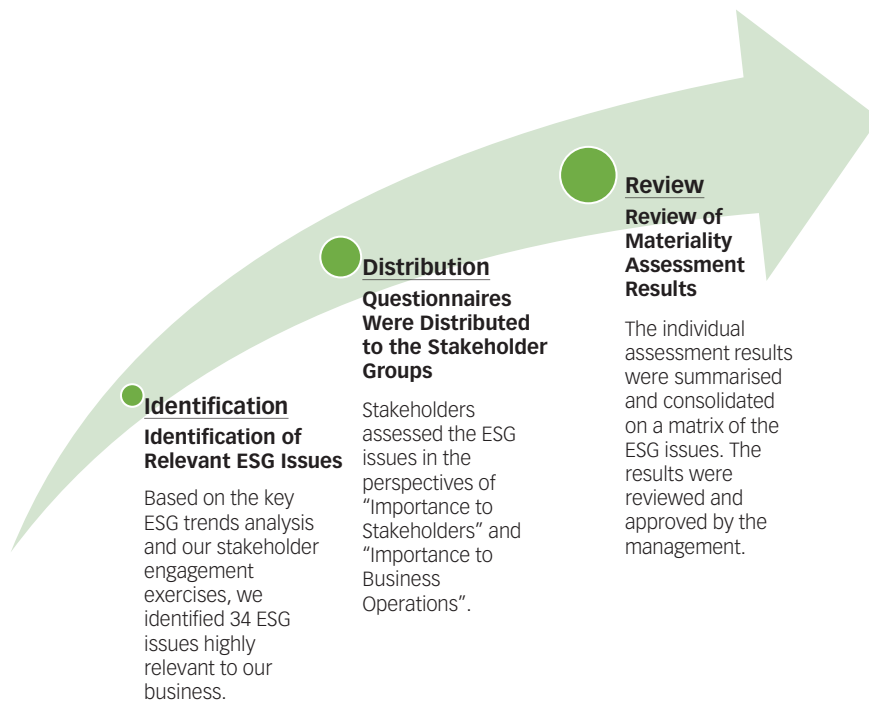
As illustrated in the table below, the Group maintains effective communication with the important stakeholder groups through multiple channels.

Stakeholder groups	Communication channels
Staff	<ul style="list-style-type: none"> • Conferences and counselling • Training and staff activities • Performance assessment
Customers and owners	<ul style="list-style-type: none"> • Customer hotlines and emails • Sales services and after-sale return visits • Questionnaires
Shareholders and investors	<ul style="list-style-type: none"> • General meetings • Annual and interim reports • Announcements and communications
Suppliers and business partners	<ul style="list-style-type: none"> • Conferences • Inspections and appraisals • Industry meetings
Governments and regulatory authorities	<ul style="list-style-type: none"> • Public forums • Government websites • Advertising and consulting
Community organisations and others	<ul style="list-style-type: none"> • Voluntary activities • Charitable services • Collaboration with social enterprises

Environmental, Social and Governance Report

MATERIALITY ASSESSMENT

An independent consultant was engaged to conduct a materiality assessment through an online stakeholder survey. This process was instrumental in identifying and understanding the most material ESG issues of importance to the Group and its stakeholders. By addressing our stakeholder concerns, we developed the ESG report framework and formulated the ESG management strategies based on the view of stakeholders. The following graph shows the steps of establishment of materiality assessment.



Our key stakeholder groups provided feedback perspectives on the importance of identified ESG-related topics. The materiality assessment matrix below shows the outcome of prioritising these subjects. The issues that fell in the upper-right quadrant of the matrix were identified as most influential to our business activities and stakeholders. This analysis forms the foundation of our sustainability efforts and disclosure.

Environmental, Social and Governance Report

Materiality Matrix

Environment	Social	
	Employment	Operation
1. Air emission	15. Labour rights	24. Customer satisfaction
2. Greenhouse gas emission	16. Labour/Management relations	25. Customer service quality and complaints handling
3. Decarbonization	17. Employee retention	26. Customer health and safety
4. Conversion of ecosystem	18. Diversity and equal opportunity	27. Marketing and product and service labelling compliance
5. Nature-related risk and opportunity management	19. Non-discrimination	28. Intellectual property
6. Circular economy	20. Occupational health and safety	29. Customer privacy and data protection
7. Environmental data management	21. Employee training	30. Responsible supply chain management
8. Climate change mitigation	22. Employee development	31. Fair operating practices on suppliers
9. Climate risk management	23. Prevention of child labour and forced labour	32. Ethical business
10. Energy efficiency		33. Socio-economic compliance
11. Water & effluents		
12. Use of materials		
13. Waste Management		
14. Environmental compliance		
		Community
		34. Community involvement

Environmental, Social and Governance Report

By understanding the most important ESG topics to the Group and its stakeholders, we can formulate our business and ESG strategies and concentrate on the issues of higher priority. Materiality assessment is a key component of our stakeholder engagement. More importantly, we can address the expectations and concerns of the stakeholders, as summarised below:

Key concerns from stakeholders	Our responses	Section
Customer Privacy and Data Protection	We ensure fair handling of personal data through comprehensive guidelines that mandate obtaining customer consent before data collection, using data solely for business purposes, prohibiting unauthorized modifications or disclosures, and securely storing and encrypting confidential information.	PROTECTION OF CUSTOMER PRIVACY
Occupational Health and Safety	To demonstrate our commitment on offering the employees a health and safety environment to work, we have received the ISO 45001 Occupational Health and Safety Management System accreditation.	CARING FOR EMPLOYEES – Occupational health and safety
Labour Rights	We are dedicated to attracting and retaining top talent by offering competitive rewards and benefits, such as paid leave, medical coverage, and retirement plans, not only meet but often exceed statutory requirements. We ensure fair employment practices in contract management and regularly benchmark remuneration against industry standards.	CARING FOR EMPLOYEES – Remuneration and benefits
Labour/Management Relations	To foster strong management relationships and support mental health, we organised a variety of activities to not only boost morale but also encourage social connections among colleagues, thereby enhancing the overall workplace environment and strengthening relationships between management and employees.	CARING FOR EMPLOYEES – Work life balance
Ethical Business	Our core values shape the ethical standards on the operation. Business ethics covers the areas of prevention of bribery, fraud and money laundering, anti-corruption, protection of customer privacy, and intellectual property rights etc. Details of effort can be found under the related section.	BUSINESS ETHICS

Environmental, Social and Governance Report

BUSINESS ETHICS

The Group addresses “Open-minded, Responsible and Upright” as its core values. We constantly uphold ethical standards throughout the entire business operation.

Prevention of bribery, fraud and money laundering

The Group is fully committed to upholding relevant laws and regulations regarding prevention of bribery, fraud, and money laundering in locations where we operate, including:

- the Prevention of Bribery Ordinance and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance in Hong Kong;
- the Prevention and Suppression of the Crime of Money Laundering in Macau;
- the Anti-Unfair Competition Law in the PRC; and
- the Prevention of Corruption Act of Singapore, and other applicable laws and regulations.

These laws and regulations forbid acts such as money laundering, dishonest business practices and personnel accepting or offering incentives intended to sway business judgements.

On commencement of employment with the Group, all employees must sign a code of conduct outlining expectation around integrity with the Group. A summary is listed below:

1. Soliciting or accepting advantages including gifts, loans, fees, rewards, office facilities, employment, contracts, services and discounts, etc. from customers, suppliers or any other person in connection with the Group’s interests is strictly prohibited. Acceptance of voluntarily given advantages may, however, be considered if:
 - i) the acceptance will not influence the decision and behaviour of the recipient;
 - ii) the recipient will not feel obliged to do something in return for the offer;
 - iii) the recipient can openly discuss the acceptance without reservation; and
 - iv) the nature and value of advantage (such as advertising or promotional gift) are such that refusal could be regarded as unsociable or impolite.
2. Under no circumstances should the staff offer bribes or similar advantages to any person or company in order to obtain or retain business, to acquire confidential business information or to obtain approval or certification of work completion of the Group’s projects, or to seek for any other return of personal advantages.

Environmental, Social and Governance Report

To enhance the Board's disciplinary authority and the scope of applicable sanctions, the Group engaged with the legal advisors to provide training to the Board. For instance, training on Listing Rule amendments regarding expanded liability, stricter individual statements due to issues like bribery, and ensuring awareness of implications when publicly commenting on individuals. This underscores our zero-tolerance stance against impropriety.

Anti-corruption

The Group has provided anti-corruption training materials to our employees to strengthen their sense and awareness.

Training materials are mainly sourced from Independent Commission Against Corruption ("**ICAC**"). Directors and staff can easily access to these materials through email and our internal portal for reference. Topics focus on corruption risks prevalent in construction, exploring instances such as acquiring basic legal concepts and knowledge about corruption and bribery, obtaining relevant practice guidelines, introducing and analysing different cases and providing online professional ethics materials for engineers and architects. To enhance participants' understanding of ethical conduct, real-world examples and case studies are used as learning materials.

We have also internally promoted ICAC's Ethics Promotion Programme for the construction industry and shared relevant news articles. This helps socialise good governance practices and misconduct red-flags within our operations.

Whistleblowing and investigation

The Group has implemented whistleblowing policy and procedures allowing internal parties and business partners to confidentially report any suspected violations or unethical conduct to the independent non-executive directors ("**INEDS**"). The types of concerns including crimes, sexual or physical abuse and fraud, bribery and corruption etc. The identity of whistleblowers and details shared are kept strictly confidential.

Reporters can raise concerns in writing by submitting a "Whistle Blowing Form" through emails to INEDs. Reporters can also directly make a report to the Audit Committee depending on the seriousness and suspected members. Upon receiving a complaint, the INEDs/Audit Committee will promptly initiate a thorough investigation. Where allegations are substantiated, appropriate disciplinary or legal actions are taken based on the severity of misconduct. This may involve penalties up to involvement of law enforcement under extreme circumstances. The "Whistle Blowing Form" will be completed to clearly state the actions taken to handle the reported case by a different INED to ensure impartiality and objectivity.

Based on the effectiveness of related oversight measures, there were no material instances of non-compliance with anti-bribery, anti-fraud or anti-money laundering laws and regulations reported within the Group during the Year. No legal cases concerning corrupt practices were brought against the Group or its employees during the Year.

Environmental, Social and Governance Report

Protection of customer privacy

Through its fitting out, manufacturing and distribution activities, the Group routinely handles customer personal data. We recognise privacy protection as a top priority in compliance with all applicable laws and regulations, such as:

- the Personal Data (Privacy) Ordinance (2021 Revised Edition) in Hong Kong;
- the Personal Data Protection Act in Macau;
- the Protection of Consumer Rights and Interests Law in the PRC; and
- the Personal Data Protection Act 2012 (2020 Revised Edition) of Singapore.

These laws and regulations require fair and lawful handling of personal details. The Group has implemented strict guidelines to ensure accuracy of data collection and the employee responsible for the management of customer information. Key points from the privacy policy include:

1. Obtaining customer consent before collecting any personal data;
2. Using data solely for business purposes relevant to the customer;
3. Prohibiting unauthorised data modification or disclosure without approval; and
4. Appropriately storing and encrypting all confidential data with access restrictions.

By diligently applying these requirements, no material privacy breaches were reported over the Year. We remain committed to empowering customer trust and fortifying compliance as data usage evolutions required.

Intellectual property rights

The Group believes the protection of intellectual property rights is essential for its substantial business development. The Group protects its intellectual property rights through registration and maintenance of trademarks.

By continuously review of pertinent provisions in contracts and agreements, it serves as the first line of defences against any potential leakage of sensitive information. Careful maintenance and updates of contract language helps safeguard proprietary knowledge and trade secrets from unauthorised disclosure.

Environmental, Social and Governance Report

PRODUCT RESPONSIBILITY

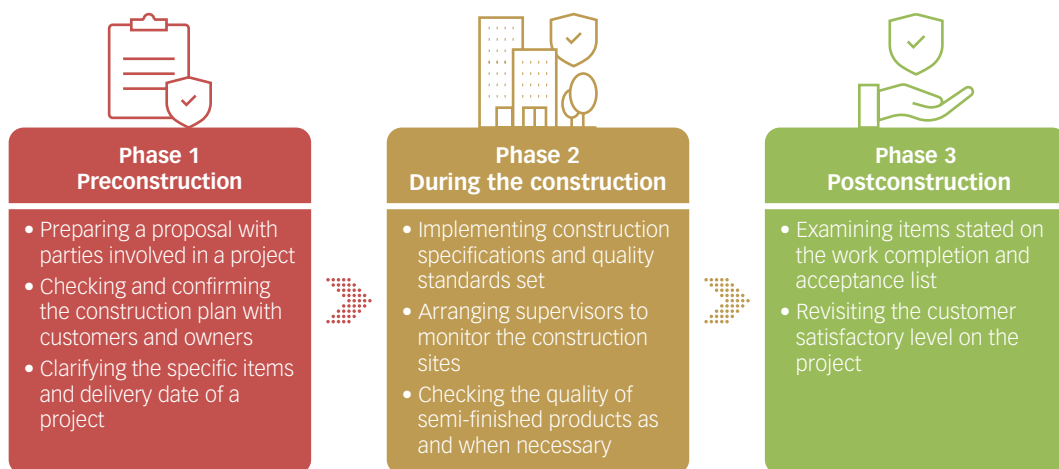
The Group is committed to delivering high quality, professional products and services that meet our customers' needs. We rigorously comply with all relevant laws and regulations pertaining to quality standards, such as:

- the Construction Law in the PRC;
- the Buildings Ordinance and the Building (Minor Works) Regulations in Hong Kong;
- the General Regulation of Urban Construction in Macau; and
- the Building Control Act of Singapore.

Contractors are required to appoint qualified building professionals to supervise designated activities, as prescribed by applicable legislation. Robust monitoring and quality assurance systems must also be established to ensure compliance.

Project quality and product safety

Beyond defining departmental and third-party roles, the Group implements standardised procedures for fitting out projects. The Group obtains requisite licenses and qualifications and engages building professionals as mandated by each project's nature, scale and risks. A quality inspection standard has been established in compliance with prevailing local regulations and technical specifications. Key steps to consistently delivering high quality are outlined as below:



The Group maintains ISO 9001 certification for its comprehensive quality management system. Hong Kong Quality Assurance Agency (HKQAA) conducts an annual examination to verify that the Group's management system complies with the pertinent authentication standards and regulations. This rigorous process-driven approach builds confidence among clients in our capabilities and service reliability.

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Based on the above measures, the Group did not identify any material breach of the relevant laws and regulations in relation to intellectual property rights, project quality and product safety during the Year.

Note:

Aspect B6 as set out in Appendix C2 to the Listing Rules in relation to General Disclosure of the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to advertising and labelling matters relating to products and services are not applicable to the Group due to its business nature.

After-sales services and handling of complaints

The Group places a high importance on providing sales services. We adhere strictly to relevant regulations, such as:

- the Supply of Services (Implied Terms) Ordinance in Hong Kong;
- the Consumer Protection Law in Macau;
- the Protection of Customer Rights and Interests Law in the PRC; and
- the Consumer Protection (Fair Trading) Act of Singapore.

Customers reserve the right to acquire product and service information, and service provider must provide prudent and technically sound solutions during designated support periods, in accordance with laws and regulations.

Comprehensive after-sales services are guaranteed under warranty maintenance. Deceptive or unfaithful promotions or competitions are strictly prohibited. We pay high attention to customers' experience by establishing a sincere, proper and truthful business practice, which is vital in retaining customer interests. We have established various communication channels to understand customers' actual needs in real-time. Post-sale feedback is also gathered to continually strengthen offerings and competitiveness.

All complaints trigger the Group's complaint handling procedure, in accordance with which the complaints will be primarily handled by employees in the customer service department or jointly handled by such employees and the pertinent business personnel. Responsible employees are accountable for timely and suitable solutions. The Group will then conduct a thorough investigation plan and formulate corrective or preventive measures to enhance future quality and satisfaction rates.

Based on the above measures, the Group did not identify any material breach of the relevant laws and regulations in relation to sales services and there were no substantiated complaints relating to the provision and use of products and services that have a significant impact to the Group during the Year.

Note:

1. KPI B6.1 as set out in Appendix C2 to the Listing Rules in relation to percentage of total products sold or shipped subject to recalls for safety and health reasons is not applicable to the Group due to its business nature.
2. KPI B6.4 as set out in Appendix C2 to the Listing Rules in relation to description of recall procedures is not applicable to the Group due to its business nature.

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SUPPLY CHAIN AND RISK MANAGEMENT

The Group is committed to maximising value through our production process, while enhancing the equality and effectiveness of our supply chain management in addition to assuring high product quality. The Group has established sound policies and procedures, such as the evaluation and control of suppliers and the procedure for subcontractors selection.

Selection of Suppliers

Supply chain risk management is an essential element of the Group's quality control system. We place great importance on sustainably managing procurement to address ESG risks and meet the increasing expectation of our customers.

An evaluation and control of suppliers and subcontractors' procedure was established to define process on selection, evaluation and re-evaluation and control of suppliers and subcontractors. Before establishing any new relationships with suppliers or subcontractors, the purchase department is responsible to conduct an extensive background investigation. New supplier and subcontractor relationships undergo rigorous screening of compliance records, quality, reputation, financial viability and capacity to meet our standards by performing the new supplier/subcontract evaluation report. A supplier or subcontractor is added to the approved list once they have successfully passed the assessments. Unless customers specify otherwise, we contract only with approved suppliers who are assessed as lower risk. Materials are sourced from customer-designated suppliers with strong sustainability credentials whenever possible. Child or forced labour is strictly prohibited across our supply base.

Evaluation on Suppliers

Annual evaluation assesses suppliers and subcontractors to comprehend their business situations and quality control performance with the goal of forming long-term business relationships with outstanding suppliers and subcontractors during the management review meeting. Environmental and social standards are regularly communicated to suppliers in order to encourage sustainable practices. The locations of the vendors who worked with the Group throughout the Year are shown below:

	2025
Total number of suppliers	3,500
By geographical region	
Hong Kong	3019
China	472
Singapore	1
Germany	1
Australia	1
Taiwan	1
Macau	2
Website	3

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CARING FOR EMPLOYEES

Occupational health and safety

The Group is fully committed to prioritising the occupational health and safety of its employees. Beside establishing the health and safety policy statement and the corporate health and safety manual for internal use, we have also built a comprehensive management system that has achieved ISO 45001 Occupational Health and Safety Management System accreditation, demonstrating our long-standing commitment to providing a supportive, dynamic, fair and safe workplace for all staff. This commitment includes stringent compliance with relevant legal standards in the locations where we operate, such as the Production Safety Law in the PRC, the General Regulation of Working Safety and Hygiene in the Construction Industry in Macau, Workplace Safety and Health Act in Singapore as well as the Occupational Safety and Health Ordinance and the Construction Sites (Safety) Regulations in Hong Kong.

These laws require employers to supervise the safety of construction projects and manufacturing process; and provide clear guidelines and training on construction procedures, manual labour operations, accident prevention and first aid, and work environment hygiene.

The Group has created and put into place the following security protocols to protect the health and safety of its employees through project planning, safety management, training, and publicity.

Project Planning

- ✓ The Group has made an effort to ensure project planning safety by:
 1. establishing a sound engineering safety management system to provide clear guidelines for safety;
 2. conducting risk assessment of the projects to ensure those appropriate countermeasures and preventive actions taken for alleviating the corresponding risks;
 3. regularly arranging personnel to inspect the construction sites and check if they are up to our internal safety standards; and
 4. providing employees with protective equipment, guidance books and safety training to build employees' occupational safety and health awareness.
 - ✓ The project personnel like site supervisors are required to introduce safety controls to minimise the potential impacts of the risk events that may induce negative effects on the project flow.
 - ✓ The site managers are required to provide an immediate remedy with proper record management whenever there are any safety issues found.
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Safety Management

- ✓ To effectively manage safety, the Group has set up a safety management committee to:
 1. oversee the implementation of the health and safety policies;
 2. update the policies annually in response to industry trends, regulations and standards; and
 3. ensure that the Group maintains a high-level performance on health and safety.
- ✓ The Group has also engaged an accredited independent safety inspector to:
 1. check the Group's safety performance twice a year; and
 2. report the results to the Labour Department.
- ✓ By the mentioned above, the Group can continuously modify and optimise the existing safety management.

Employee Training and Publicity

- ✓ The Group has provided tailored training courses for different workers according to the characteristics and difficulties of the projects. To reduce the probability of preventable accidents, all employees (including administrative personnel) must complete the mandatory basic safety training courses which were offered by the Group before entering construction sites.
- ✓ The Group also conducts regular fire drills, introductions to the use of fire extinguishers and first-aid training to enhance employees' on-the-spot emergency knowledge.
- ✓ On-site Safety & Health training plan was established, providing on-site training to employee, including induction training, site-specific training and tool box (like grinding wheel and shelving) training.

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The following table illustrates the number of work-related fatalities occurred in the past three years:

	2025	2024	2023
Number of work-related fatalities	0	0	0

The number of work-related injury cases and the lost days due to it were as follow:

	Number of work-related injury cases		Number of lost days due to work injury	
	2025	2024	2025	2024
Offices and Projects in Hong Kong and Macau	2	0	0	0
Offices and Projects in Beijing and Shanghai	2	2	24	138
Offices and Projects in Singapore	0	0	0	0
Factory in Dongguan and office in Shenzhen	8	5	489	169
Total	12	7	513	307

Based on the above measures, the Group did not identify any major non-compliance with the relevant laws and regulations and standards in respect of occupational health and safety during the Year.

Remuneration and benefits

The Group is committed to attracting and retaining top talent through competitive rewards and benefits. All practices strictly adhere to legislation such as the Employment Ordinance of Hong Kong and Labour Laws across locations, including the Labour Relations Law in Macau, the Employment Act in Singapore, and the Labour Law in the PRC. Core benefits such as paid leave, medical coverage and retirement plans meet or exceed the minimum statutory requirements. Employment contracts are entered into and terminated in a fair and equitable manner.

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Remuneration is regularly benchmarked against industry peers to ensure competitiveness, included but not limited to:

- annual leave;
- marriage leave;
- compassionate leave;
- study leave;
- examination leave;
- mandatory and voluntary provident fund schemes;
- medical insurance; and
- compensate employees by means of alternative leave or overtime allowance for their overtime work due to the prevailing department's workload.

The Group also utilises a performance appraisal system, which includes the sufficient incentive and promotions to recognise those who perform well, to verify lawful, fair treatment of all employees. The grant of performance incentives is based on the financial performance of the Group and the performance of each individual employee.

Based on the above measures, the Group did not identify any major non-compliance with the laws and regulations relating to remuneration and benefits during the Year.

Note:

1. The Share Option Scheme has expired on 30 November 2025.

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The average number of employees (excluded casual daily paid workers) by gender, age, function and geographical location are as follows:

		Offices and Projects in Hong Kong and Macau		Offices and Projects in Beijing and Shanghai		Factory in Dongguan and office in Shenzhen		Offices and Projects in Singapore	
		2025	2024	2025	2024	2025	2024	2025	2024
Overall		368	334	716	802	456	470	24	30
Gender	Male	278	257	585	657	391	398	15	18
	Female	90	77	131	145	65	72	9	12
Age	Below 30	29	32	235	281	45	56	6	7
	31-40	113	93	332	360	105	133	9	12
	41-50	106	96	107	111	144	174	5	5
	51 or above	120	113	42	50	162	107	4	6
Function	Management	5	5	2	2	4	4	0	0
	Business operation	319	288	558	629	300	312	20	25
	Operation support	8	9	111	127	123	124	0	0
	Back office	36	32	45	44	29	30	4	5

The employee turnover rate (*note 1*) by gender, age, function, and geographical location are as follows:

		Offices and Projects in Hong Kong and Macau				Offices and Projects in Beijing and Shanghai				Factory in Dongguan and office in Shenzhen				Offices and Projects in Singapore (note 2)			
		2025		2024		2025		2024		2025		2024		2025		2024	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Overall		63	1.00	44	1.10	208	0.29	260	2.70	240	0.53	279	4.95	11	0.46	11	3.01
Gender	Male	47	1.41	34	1.10	179	2.55	210	2.66	223	54.39	254	5.31	8	4.44	6	2.71
	Female	16	1.49	10	1.09	29	1.84	50	2.87	17	1.90	25	2.92	3	2.94	5	3.47
Age	Below 30	5	1.42	8	2.06	95	3.37	125	3.71	40	7.04	46	8.10	0	0	1	1.16
	31-40	27	1.99	13	1.17	88	2.21	89	2.06	67	4.12	115	7.06	6	3.60	3	2.04
	41-50	11	0.87	14	1.22	17	1.32	33	2.47	86	3.67	94	3.97	2	1.72	3	4.84
	51 or above	20	1.39	9	0.66	8	1.57	13	2.01	47	2.93	24	1.43	3	4.55	4	5.71
Function	Management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Business operation	56	1.47	37	1.07	161	2.40	207	2.74	204	5.69	246	6.55	10	4.29	10	3.29
	Operation support	0	0	2	1.80	38	2.86	42	2.76	22	1.49	28	1.88	0	0	0	0
	Back office	7	1.60	5	1.31	9	1.67	11	2.06	14	4.00	5	1.44	1	2.04	1	1.64

– total number of employees leaving employment

% – turnover rate

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Notes:

1. Employee turnover rate = monthly average of employees leaving employment in the specified category/monthly average number of employees in the specified category.

Development and training

The Group encourages each employee's personal development in order to maintain their long-term growth. Through on-the-job training, external training and induction training; the Group assists its employees in realising the value of their contributions. The Group has a well-established training system that allows it to design and schedule staff training events in line with their enrolment date and the nature of his or her work.

Induction training

Purpose	Assisting the new joiners to understand the structure and missions of the Group, the staff's role in achieving the business objectives and success of the Group, human resource policies of the Group, and standard operating procedures, and more.
Implementation	Receiving the training in the first week upon the staff's arrival

On-the-job training

Purpose	Strengthening the staff's professional knowledge
Implementation	<ol style="list-style-type: none"> 1. Formulating annual training plan according to staff needs; and 2. Cooperating with the professional team to hold a series of training activities (e.g. safety supervision, occupational health and safety, first-aid, engineering management, environmental protection, ISO management)

External training

Purpose	Ensuring staff's personal developmental needs are satisfied
Implementation	Providing training subsidies

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The number and percentage of employees trained (*note*) monthly per employee category are as follows:

		Number and percentage of employees trained			
		2025		2024	
Overall		2,973	15.85%	2,049	10.45%
Gender	Male	2,695	17.70%	1,708	10.70%
	Female	278	7.87%	341	9.33%
Function	Management	46	34.84%	24	18.05%
	Business operation	2,723	18.98%	1,821	12.10%
	Operation support	104	3.58%	63	2.02%
	Back office	100	7.27%	141	10.65%

The average training hours completed monthly per employee category are as follows:

			Average training hours completed per employee gender and function	
			2025	2024
Overall			0.36	0.51
Gender	Male		0.37	0.56
	Female		0.28	0.30
Function	Management		1.99	0.88
	Business operation		0.51	0.59
	Operation support		0.09	0.10
	Back office		0.13	0.52

Notes:

Percentage of employees trained = monthly average number of employees trained in the specified category ÷ monthly average number of employees in the specified category.

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Work-life balance

While competitive compensation and benefits are crucial for attraction and retention, the Group places equal importance on our employees' overall well-being. To support mental health, a variety of activities are organised by the "Sundart Cheers" to encourage work-life balance and foster camaraderie. In 2025, events were planned monthly with consideration for diverse interests and activity levels. Including woodwork interest group, pearl workshop, organic plantation class, spaghetti class and hiking etc. The well-rounded slate of activities helped boost morale and encourage social connections despite ongoing challenges.

Equal opportunities and anti-discrimination

A "People-oriented" approach is at the heart of our long-term vision to facilitate human capital management. We believe that the full potential of our workforce is realised when we embrace diversity in all its forms.

The Group is dedicated to creating a diverse environment firmly believing that no employee or job applicant should face discrimination due to race, colour, religion, sex, sexual orientation, age and so on, in any form for job applications, internal transfers, and promotions. To support this commitment, we have adopted non-discriminatory hiring and employment practices.

Employers should cultivate a workplace where employees are treated fairly and with respect, in accordance with applicable labour laws and regulations, including the Employment Ordinance in Hong Kong, the Labour Relations Law in Macau, the Employment Act in Singapore, the Labour Law in the PRC, and others.

Based on the measures above, the Group did not identify any major non-compliance with the laws and regulations relating to equal opportunities and anti-discrimination during the Year.

Child and forced labour-free workplace

The Group is fully committed to respecting human rights and dignity across our global operations. We strictly adhere to labour regulations in all locations, including minimum working age laws.

Recruitment

The Group firmly prohibits child and forced labour. Recruitment processes are merit-based and non-discriminatory. Candidates present legal documentation and no applicant is subject to forced, indentured or child labour. Open recruitment is conducted for hiring employees based on the job requirements to select best-fit candidates, as well as on fair, open and voluntary principles. Labour being forced to work by means of physical punishment, abuse, involuntary servitude, peonage or trafficking is strictly forbidden. We also avoid collaboration with suppliers and subcontractors having a known history in employing child or forced labour in their operations.

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During the Employment

The Group reserves the right to end the labour relationship immediately if any cases of child labour or forced labour are found in our operations. In order to avoid it from happening, whenever suspicious case is found, the Group will also conduct an investigation to review and discuss with the management.

With regular inspections, the Group did not identify any major non-compliance with the relevant laws and regulations in respect of labour standards during the Year.

PROTECTING OUR ENVIRONMENT

As a responsible fitting-out contractor, the Group put a great emphasis on environmental, social, and governance in every aspect of its operations. The Group believes that all employees are responsible to protect the environment. As a result, we have put in place an environmental management system that has been certified to the international standard ISO14001:2015.

The Group has developed several policies to effectively manage the emissions of waste, noise, exhaust gas, dust, sewage, and greenhouse gases in compliance of the applicable environmental laws and regulations. For our daily operations, we additionally referred to the Hong Kong Green Office Guide published by the Hong Kong Green Building Council.

During the Year, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas (“**GHG**”) emissions, discharges into water and land, generation of waste and use of resources, including, among others, the laws related to environment protection in Hong Kong, the Environmental Protection and Management Act of Singapore and the Law on the Prevention and Control of Atmospheric Pollution of the PRC. Furthermore, the Group was not aware of any issue in sourcing water that is fit for purpose.

Environmental targets

The Group has set out reduction targets on energy and resources consumption to achieve in three years with the baseline year (i.e. 2020):

- Reducing electricity consumption as well as its contributing greenhouse emissions by not less than 5%;
- Reducing water consumption by not less than 5%;
- Reducing usage of paper and toner by not less than 5%; and
- Reducing usage of protective materials by not less than 5%.

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In order to achieve the above targets, measures have been implemented during the Year. Reminders were also sent to the staff to raise their awareness on resources efficiency. Examples are shown in the list below:

- Placing labels at conspicuous places to remind reducing the usage of electrical devices (i.e. photocopiers) thus the electricity consumptions;
- Reminding to turn off unnecessary lights;
- Sticking labels on the faucets to remind of water conservations;
- Arranging regular checks of the water pipes to avoid unnecessary leakages;
- Using environmentally friendly papers for photocopying;
- Scanning and on-screening review to a larger extent to reduce the use of paper and toners; and
- Using greener and more environmentally friendly materials for packaging and protection.

Based on the reduction measures implemented by the Group, we have already achieved most environmental targets in 2025, figures are stated below during the Year including:

- Reduced usage of electricity consumption by more than 1%;
- Reduced usage of water consumption by more than 16%;
- Reduced usage of protective material consumption by more than 57%; and
- Reduced usage of paper and toner by more than 20%.

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MINIMISING ENVIRONMENTAL IMPACTS

Disposal and management of waste

The Group generates various types of waste through its fitting-out and manufacturing operations. We strictly adhere with the Waste Disposal Ordinance in Hong Kong, the Environmental Law in Macau, the Environmental Protection Law in the PRC, the Hazardous Waste (Control of Export, Import and Transit) Act of Singapore, and all other applicable laws and while handling wastes.

Employees are required to manage and dispose of waste strictly according to the Group's waste management guidelines. Non-hazardous wastes must be separated and placed in designated locations for proper processing. Chemicals used on construction sites should not be dumped directly into sewers, they must be stored in sealed containers in the specified areas, and disposed of legally by authorised third parties. These steps are being taken to ensure our business activities have no appreciable adverse effects.

Our main wastes are paper and toner cartridges used in offices, as well as protective materials for fitting-out works. The following are the non-hazardous waste amounts:

Type of non-hazardous wastes (notes 1,2 and 3)	Unit	2025	2024
Protective materials for fitting-out works (note 4)	Tonne	78.04 (note 7)	179.62
Paper (note 5)	Tonne	11.09	14.86
Paper (fitting-out works in Hong Kong and Macau only)	Tonne	2.62	2.66
Toner cartridges (note 6)	Tonne	0.12	0.15

Notes:

- Although paints and solvents were used in the fitting-out works of the Group, only a limited amount of them was disposed of. Therefore, disclosure of the data of such waste was not applicable.
- The Group did not generate any material hazardous wastes for the fitting-out works for both years.
- Disclosure for the data of packaging materials was not applicable, as the Group did not consume packaging materials during fitting-out works.
- The protective material consumption for fitting-out works in Hong Kong, Singapore and Macau. Its waste production amount varied with the nature of the projects in place and client requirements.
- The figures included the paper consumption for projects works in Hong Kong and Macau, the offices in Hong Kong, Macau, Beijing, Shanghai, Shenzhen, and Singapore as well as the factory in Dongguan.
- The figures included the toner cartridge consumption in Hong Kong, Macau, and Singapore regarding material consumption for printing in offices and site offices.
- The amount decreased drastically due to delays of projects.

Construction wastes should be properly sorted by classification to separate out any recyclable materials that can, whenever possible, be treated for upcycling by recycling agents. To transfer additional non-recyclable construction waste to a certified landfill in line with local laws, the Group is responsible for getting in touch with qualified transportation companies.

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The Group also encourages office staff to reduce wastes by:

- Reusing old copies by copying or printing on the blank side of the used paper;
- Adopting appropriate fonts or downsizing models to reduce the number of copies;
- Utilising electronic media for internal and external communication;
- Only printing out the cover page of the document when necessary;
- Reusing stationery, plastic binding ring, envelopes and other materials whenever possible until they are completely consumed;
- Encouraging the use of rechargeable batteries;
- Recycling packaging boxes and fillings; and
- Installing air-conditioners and refrigerators with environmentally friendly refrigerants.

Use of water resources

The Group is aware that the water resources are limited. Water resource management must be prioritised before it adversely affects our business operations. Therefore, preventative measures were implemented both internally and externally. The Group is dedicated to raising staff understanding of the “use only when necessary” principle. The Group sourced water from the municipal supply and had no issue in sourcing water which is fit for purpose.

The Group strictly complies with all sewage disposal laws and regulations, such as the Water Pollution Prevention and Control Law in the PRC and the Water Pollution Control Ordinance in Hong Kong, which prohibit the direct release of sewage and pollutants into open water. The Group’s operations do not result in any significant direct effluent discharges.

To conserve overall amounts of drinkable water, whenever possible, sewage treatment facilities are utilised to purify wastewater at construction sites before it is used for cleaning and dust suppression.

A Sewage Management Guideline has been established by the Group to regulate its sewage treatment practices. At project sites, the Group should follow the below measurements, including:

- Minimising the area of exposed ground as much as possible;
- Covering temporary stockpiles of exposed materials;
- Turning off the water supply to sprinklers when not in use to reduce water consumption;

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- Ensuring untreated wastewater (such as muddy water) must not be discharged directly into storm drains;
- Filtering and treating wastewater in a sedimentation tank before discharging it into the sewer system;
- Regularly cleaning sedimentation tanks to maintain proper operating conditions;
- Storing all chemicals (e.g., paints, solvents, adhesives, sealants, coatings, cleaners) in designated locations according to the Waste Management Guidelines and must not be disposed of in the sewer to prevent water pollution;
- Following the Emergency Preparedness and Response Procedure in the event of a chemical spill or leak to prevent contamination of land or water; and
- Preventing mud or water from dripping onto the roadway during the transportation of construction waste.

The Group's water consumptions are as follows:

Year	Unit	Volume	Intensity (note 1)
2025	m ³ /m ²	49,849	0.53
2024 (note 2)	m ³ /m ²	59,111	0.65

Notes:

1. The intensity figures were reported in cubic meter ("m³") per square meter of area.
2. The figures included the water consumption volume for the factory in Dongguan.

Use and efficiency of energy

Being ecologically conscious during the project's execution and throughout the Group's general operations is essential. As a result, the Group has established guidelines for resource management to reduce the environmental impacts of its electricity use. Examples include requiring employees to adhere to resource-saving initiatives, and using certified energy-efficient appliances and equipment to manage the potential risks brought on by climate change. In the air-conditioned room the optimal temperature should be set at 25.5°C, or the power-saving mode should be adopted.

The Group has also adopted other measures to save energy at the offices and project sites:

- Turning off unnecessary indoor lights beyond normal office hours;
- Setting the machines to power off when being idle for a certain period;

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- Using energy-efficient exterior lighting at construction sites;
- Prioritising energy-efficient lighting equipment, machines and fixtures when procuring new machinery; and
- Performing regular inspection and preventive maintenance on machinery and equipment to reduce the fatigue and distraction risk in the operations, and to maximise energy efficiency.

The Group's business mainly uses electricity as the source of energy. The electricity consumptions are as follows:

Year	Unit	Projects <i>(note 1)</i>		Offices <i>(note 2)</i>		Dongguan Factory	
		Amount	Intensity <i>(note 3)</i>	Amount	Intensity <i>(note 3)</i>	Amount	Intensity <i>(note 3)</i>
2025	kWh	119,994 <i>(note 4)</i>	68.02	707,545	94.17	4,006,256	50.01
2024	kWh	572,505	276.40	756,225	90.92	4,006,002	50.01

Notes:

1. Projects included site office consumption of fitting out projects in Hong Kong and Singapore. Electricity usage of fitting out project sites in Hong Kong, Macau and the PRC were not included in the statistics as the electricity consumed were supplied directly by the main contractor or landlord and the relevant usage was not provided to the Group.
2. The figures represented electricity consumption amount and its intensity of Hong Kong, Macau, Beijing, Shanghai, Shenzhen and Singapore offices.
3. The intensity figures were reported in kilowatt hour ("kWh") per square meter of area.
4. The amount decreased drastically due to closure of site office of the Singapore project operation.

Noise pollution

During fitting-out projects, the operation of machinery and various project work procedures produce disruption or unwanted noise, which may potentially affected the physical and mental health of nearby residents. The Group strictly abides by the Noise Control Ordinance in Hong Kong, the Prevention and Control of Environmental Noise Law in Macau, the Prevention and Control of Environmental Noise Pollution in the PRC, as well as any other relevant laws and regulations. To mitigate the impact of noise from industrial or electrical equipment, the Group has established Noise Management Guidelines. Here are some steps made to lessen the noise pollution that is created. For instance:

- Maximising the use of quiet mechanical tools whenever possible, such as "Quality Powered Mechanical Equipment" approved by the Environmental Protection Department;
- Placing tools producing higher noise levels, such as pumps, further away from the noise-sensitive areas such as residential areas, schools and hospitals;
- Improving the processes to reduce unnecessary knocking and cutting works;

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- Prohibiting activities with high noise intensity during early morning and night hours;
- Installing noise barriers near noisy mechanical equipment;
- Shutting down machinery and equipment not in use from time to time and conduct regular maintenance and repair for equipment; and
- Monitoring noise intensity regularly.

Air emissions

The Group is committed to complying with all applicable laws and regulations governing air quality, including the Air Pollution Control Ordinance and Air Pollution Control (Construction Dust) Regulation in Hong Kong, the site pollution control guidelines in Macau, the Air Pollution Prevention and Control Law in the PRC, and other relevant laws and regulations. The Group operates with insignificant direct exhaust emissions (*note*). Still, it implements the following practices to ensure that its activities adhere to applicable environmental standards.

During fitting-out works, chemicals called volatile organic compounds (“**VOC**”), are often released from paints and other finishes leading to unpleasant smells and lower indoor air quality. The Group works to convince customers to select low VOC coatings at the planning phase to reduce VOC concentrations at the fitting-out site. This approach helps to minimise potential dangers to both human health and the environment. Additionally, any unused volatile finishes must also be kept in firmly closed containers.

In addition, the Group adopts a series of dust control measures to reduce the impact on the surrounding environment, such as:

- Spraying water continuously during excavation, drilling, cutting, polishing, crushing etc;
- Providing cleaning equipment at the exit of the transport vehicles, including high-pressure water guns to wash the body and wheels of the transport vehicle before leaving the construction site;
- Covering the stockpile of dusty materials with impermeable coating or store them in sheltered areas;
- Setting hoarding of not less than 2.4 metres high from ground level along the boundary of the construction site adjoining the street or public area;
- Collecting pulverised fuel ash concrete or any other dusty materials collected by filtering devices in enclosed containers; and
- Conducting regular inspection on the dust concentration level at the construction site to evaluate the effectiveness of dust control measures.

Note:

Disclosure of direct exhaust emissions data was not applicable as significant gas emissions were not directly generated in the Group's operating activities.

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Greenhouse gas

In order to successfully manage our influence on climate change, the Group continuously tracks and analyses GHG emissions. The main source of GHG emissions for the Group is energy use. The amount of GHG that the Group released is listed below (note 1):

Year	Unit	Carbon dioxide equivalent				Total	Intensity (note 5)
		Scope 1 (note 2)	Scope 2 (note 3)	Scope 3 (note 4)			
2025	Tonnes	61.38 (note 6)	1,960.32	30.41	1,997.89	0.03	
2024	Tonnes	75.76	3,109.32	55.87	3,240.95	0.04	
2023	Tonnes	78.68	2,821.64	46.91	2,947.23	0.03	

Notes:

- The data did not include the energy consumption that the Group cannot directly manage and control. The greenhouse gas emission is calculated with reference to the Greenhouse Gas Protocol published by the World Business Council for Sustainable Development and the World Resources Institute, and the Reporting Guidance on Environmental KPIs of the Stock Exchange. The figures included the carbon dioxide emission for projects in Hong Kong and Macau, the offices in Hong Kong, Macau, Beijing, Shanghai, Shenzhen, Singapore as well as the factory in Dongguan.
- Scope 1 emissions refer to the mobile fuel used by the vehicles directly related to the project works.
- The figures resulted from purchased electricity.
- The figures resulted from electricity used for processing fresh water. The calculation is based on "How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs" published by Hong Kong Stock Exchange ("HKEX").
- The intensity figures were reported in tons of carbon dioxide equivalent per square meter of area.
- The decrease is due to the Company's improved vehicle fuel management, including optimising during routes, promoting fuel-efficient driving habits, and gradually introducing new energy vehicles, which reduce gasoline consumption.

Green building

The Group aims at achieving an effective balance between land usages and environmental conservation such as energy and water-saving as well as waste reduction while conducting real practices. To enhance its overall effectiveness while minimising its effects on the environment, the Group continues to incorporate green features into the designs and products. In addition to assisting project owners to obtain the highest possible ratings under Hong Kong Building Environment Assessment Method ("**BEAM**") Plus certification established by the Hong Kong Green Building Council Limited ("**HKGBC**") for new building projects, we are devoted to implementing best practices.

To further our efforts in incorporating sustainable development and the latest green technologies into our customers' projects, the Group will also keep expanding its team and be committed to attracting more talents with qualifications in green building, energy, and environmental design, such as LEED Pro, BEAM Pro, and BEAM Plus.

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CLIMATE-RELATED RISK AND OPPORTUNITIES

The Group is strongly committed to minimising environmental impacts arising from our business. We aim to take proactive steps to address climate change and preserve natural resources for future generations. As we recognise that climate risks threaten long-term business continuity, reducing our carbon footprint is a core strategic priority.

Climate stewardship is being progressively integrated into how we manage internal systems and execute projects. Our approach complies with applicable legislation and global protocols, emphasising needed climate action. Climate risk oversight strengthens how climate-related issues are considered from project planning through to completion.

2025 Climate-Related Risk and Opportunities Assessment Summary

Scope	Full operations (HK/Macau/PRC/Singapore fitting-out/manufacturing), encompassing direct operations and key suppliers, determined using available data on emissions and disruptions without undue effort.
Horizons	Short term: 1-3 year(s). Medium term: 4-10 years. Long term: Beyond 10 years. With Short-term and Medium-term risks aligned with the annual and long-range planning cycles.
Thresholds and Factors	Qualitative and quantitative factors used to determine likelihood and impact aligned with general company practices for assessing risk and financial materiality.
Scenarios	IEA (International Energy Agency) Stated Policies (disorderly, >3°C warming) and Sustainable Development (orderly, <2°C aligned with Paris Agreement). Associated Risks: Physical and Transition Risks.

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Transition Risk

Description	Time Horizon	Potential Impact	Countermeasures
Technology/Market Shifts			
Shift to low-carbon materials increasing procurement costs; Client demand for sustainable fittings pressuring margins.	Short to Medium term	Supply cost inflation; Potential loss of market share to greener competitors.	Adopt green material sourcing; Leverage agile project management for adaptation; Form partnerships with green suppliers to enhance long-term adaptability.
Policy/Regulatory Changes			
Stricter carbon building requiring retrofits or certifications, with non-compliance fines.	Medium term	Compliance costs rising of project budgets; Reduced access to green finance if non-compliant.	Accelerate BEAM/LEED certifications; Conduct stricter supplier ESG audits.

Physical Risk

Description	Time Horizon	Potential Impact	Countermeasures
Acute Events			
Increased frequency/intensity of extreme weather disrupting construction sites, damaging materials/equipment, and delaying projects in coastal areas like Hong Kong and Macau.	Short term	Project delays; Revenue shortfalls; Higher insurance claims/costs.	Use ISO 14001-certified systems for operational resilience and worker safety protocols.
Chronic Changes			
Heatwaves increasing worker heatstroke risks and electricity use for cooling; Sea level rise threatening low-lying sites in Singapore and Mainland China coastal regions.	Medium to Long term	Elevated operational costs; Supply chain disruptions affecting imports.	Implement heat mitigation measures and energy-efficient cooling; Conduct supplier audits for supply chain adaptation.

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SUPPORTING OUR COMMUNITY

The Group firmly believes that upholding the highest standards of business conduct is essential in defining our values and guiding principles. Established in 2011, “Sundart Cheers” has been recognised by the management and colleagues for its dedicated efforts in coordinating activities that significantly contribute to public welfare, charity and community care.

Members regularly collaborate to conceive and organize various activities which have a positive impact on society, and help “Bring Communities Together”. These contributions align with the Group’s commitment to corporate social responsibility and strengthen employment relations. A diverse team from different departments plans and coordinates these activities, enabling us to sustainably meet community needs. By embodying our values daily, “Sundart Cheers” delivers long-term value for all stakeholders in a responsible manner. In 2025, we donated a total of HK\$211,362.

In 2025, we organised a volunteer visiting activity aimed at encouraging both management and staff to actively engage in outreach efforts, bringing warmth and essential gifts to vulnerable communities. This initiative not only strengthened the bond between the company and the community but also fostered a sense of social responsibility and empathy among employees, thereby creating a positive and lasting impact on all those involved.

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HKEX ESG REPORTING CODE INDEX

HKEx ESG Reporting Code General Disclosures & KPIs (Part B)		Explanation/Reference Section
Aspect A: Environment		
A1 Emissions	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p><i>Note:</i> Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts
KPI A1.1	The types of emissions and respective emissions data.	PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts – Air Emission
KPI A1.2	Repealed 1 January 2025	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The Group did not generate any material hazardous wastes for the fitting-out works.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts – Disposal and management of waste
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	PROTECTING OUR ENVIRONMENT
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts – Disposal and management of waste
A2 Use of Resources	<p>Policies on efficient use of resources including energy, water and other raw materials.</p> <p><i>Note:</i> Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts <ul style="list-style-type: none"> – Use of water resources – Use and efficiency of energy
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts

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HKEx ESG Reporting Code General Disclosures & KPIs (Part B)		Explanation/Reference Section
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts – Use of water resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	PROTECTING OUR ENVIRONMENT
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts – Use of water resources
KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	Disclosure for the data of packaging materials was not applicable, as the Group did not consume packaging materials during fitting-out works.
A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	PROTECTING OUR ENVIRONMENT
A4 Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	CLIMATE RISK AND RESILIENCE
KPI A4.1	Repealed 1 January 2025	
Aspect B: Social		
B1 Employment	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	CARING FOR EMPLOYEES – Remuneration and benefits – Work-life balance – Equal opportunities and anti-discrimination
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	CARING FOR EMPLOYEES
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	CARING FOR EMPLOYEES
B2 Health and Safety	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	CARING FOR EMPLOYEES – Occupational health and safety

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HKEx ESG Reporting Code General Disclosures & KPIs (Part B)		Explanation/Reference Section
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	CARING FOR EMPLOYEES – Occupational health and safety
KPI B2.2	Lost days due to work injury.	CARING FOR EMPLOYEES – Occupational health and safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	CARING FOR EMPLOYEES – Occupational health and safety
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	CARING FOR EMPLOYEES – Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	CARING FOR EMPLOYEES – Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	CARING FOR EMPLOYEES – Development and Training
B4 Labour Standards	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	CARING FOR EMPLOYEES – Development and Training
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	CARING FOR OUR PEOPLE – Child and Forced Labour-free Workplace
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	CARING FOR OUR PEOPLE – Child and Forced Labour-free Workplace
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	SUPPLY CHAIN MANAGEMENT
KPI B5.1	Number of suppliers by geographical region.	SUPPLY CHAIN MANAGEMENT
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	SUPPLY CHAIN MANAGEMENT
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	SUPPLY CHAIN MANAGEMENT
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	SUPPLY CHAIN MANAGEMENT

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HKEx ESG Reporting Code General Disclosures & KPIs (Part B)		Explanation/Reference Section
B6 Product Responsibility	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	PRODUCT RESPONSIBILITY – Project quality and product safety
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	PRODUCT RESPONSIBILITY – Project quality and product safety
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	PRODUCT RESPONSIBILITY – After-sales services and handling of complaints
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	BUSINESS ETHICS – Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	PRODUCT RESPONSIBILITY – Project quality and product safety
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	PRODUCT RESPONSIBILITY – Project quality and product safety
B7 Anti-corruption	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	BUSINESS ETHICS
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Year and the outcomes of the cases.	BUSINESS ETHICS
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	BUSINESS ETHICS – Anti-Corruption Whistleblowing and investigation
KPI B7.3	Description of anti-corruption training provided to directors and staff.	BUSINESS ETHICS – Anti-Corruption
B8 Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	SUPPORTING OUR COMMUNITY
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	SUPPORTING OUR COMMUNITY
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	SUPPORTING OUR COMMUNITY

Environmental, Social and Governance Report

HKEx ESG Reporting Code General Disclosures (Part D)		Explanation/Reference Section
Disclosure Obligation		
16	<p>(1) Subject to paragraph 17, an issuer must report on the climate-related disclosures set out in this part in the ESG report on a “comply or explain” basis. An issuer who has yet to disclose information required under any of the provisions must provide considered reasons for non-disclosure.</p> <p>(2) Where an issuer has yet to disclose information required under any of the provisions set out in this part, regardless of whether such issuer has</p> <p>(a) opted to “explain” why it has not made a particular disclosure under the “comply or explain” regime or</p> <p>(b) chosen to apply an applicable relief available pursuant to the note to the relevant provision (whether it is required to report on a mandatory or “comply or explain” basis) such issuer is encouraged to provide information on the work plan, progress and timetable for making the required disclosure.</p>	HKEX ESG Reporting Code General Disclosures (Part D)
17	<p>(1) An issuer must disclose its Scope 1 greenhouse gas emissions and Scope 2 greenhouse gas emissions pursuant to paragraphs 28(a), 28(b) and 29 on a mandatory basis.</p> <p>(2) An issuer that is a constituent of the Hang Seng Composite LargeCap Index (HSCLI) must report on the provisions set out in this part on a mandatory basis in respect of financial years commencing on or after 1 January 2026.</p> <p>(3) An issuer is encouraged, but not required, to disclose industry-based metrics pursuant to paragraph 36.</p>	PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts – Greenhouse Gas
(I) Governance		
19	<p>An issuer shall disclose information about:</p> <p>(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <p>(b) management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.</p>	The company’s business is mainly fitting-out works, with relatively limited climate governance practices. During extreme weather events (e.g., typhoons and black rain storms), the executive directors meet to discuss response measures and climate risk management. The company plans to improve its climate governance disclosures in future reports.

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HKEx ESG Reporting Code General Disclosures (Part D)		Explanation/Reference Section
(II) Strategy		
Climate-related risks and opportunities		
20	<p>An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <ul style="list-style-type: none"> (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines "short term", "medium term" and "long term" and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making. 	CLIMATE-RELATED RISK AND OPPORTUNITIES
Business model and value chain		
21	<p>An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets). 	CLIMATE-RELATED RISK AND OPPORTUNITIES

Environmental, Social and Governance Report

HKEx ESG Reporting Code General Disclosures (Part D)		Explanation/Reference Section
Strategy and decision-making		
22	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: <ul style="list-style-type: none"> (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation; (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a). 	Given Sundart's fitting-out works business, the Company has conducted a preliminary assessment and confirmed no significant climate-related risks or opportunities.
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	This is the first Part D disclosure. The company will track progress.
Financial position, financial performance and cash flows		
Current financial effect		
24	An issuer shall disclose qualitative and quantitative information about: <ul style="list-style-type: none"> (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. 	The Company's fitting-out business has assessed indirect climate impacts on its financials. It will keep conducting assessments and perform detailed qualitative and quantitative disclosures on climate-related financial effects in the future.
Anticipated financial effect		
25	The issuer shall provide qualitative and quantitative disclosures about: <ul style="list-style-type: none"> (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities; (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. 	It is not practical to anticipate the effect in quantitative term, but believe extreme weathers affect efficiency of project operation. The Company plans to disclose the financial effect in the future.

Environmental, Social and Governance Report

HKEx ESG Reporting Code General Disclosures (Part D)		Explanation/Reference Section
Climate resilience		
26	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances.	CLIMATE-RELATED RISK AND OPPORTUNITIES
(III) Risk Management		
27	An issuer shall disclose information about: <ul style="list-style-type: none"> (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process. 	ESG Risk Management
(IV) Metrics and Targets		
Greenhouse gas emissions		
28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of Co ₂ equivalent, classified as: <ul style="list-style-type: none"> (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions. 	PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts – Greenhouse Gas. Scope 3 GHG emissions are not disclosed at present, as the Company is currently establishing robust data collection mechanisms and methodologies across its value chain to ensure accurate and reliable reporting. The Company is committed to progressively enhancing its climate-related disclosures and intends to include Scope 3 emissions in future reports

Environmental, Social and Governance Report

HKEx ESG Reporting Code General Disclosures (Part D)		Explanation/Reference Section
29	<p>An issuer shall:</p> <p>(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;</p> <p>(b) disclose the approach it uses to measure its greenhouse gas emissions;</p> <p>(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and</p> <p>(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).</p>	<p>PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts – Greenhouse Gas.</p> <p>Scope 3 GHG emissions are not disclosed at present, as the Company is currently establishing robust data collection mechanisms and methodologies across its value chain to ensure accurate and reliable reporting. The Company is committed to progressively enhancing its climate-related disclosures and intends to include Scope 3 emissions in future reports</p>
Climate-related transition risks		
30	<p>An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	<p>The company's fitting-out business has been assessed to have no significant, direct or peculiar climate-related transition risks in relation to its assets and business activities. Detailed assessments will be conducted in the future.</p>
Climate-related physical risks		
31	<p>An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p>	<p>The company's fitting-out business has been assessed to have no significant, direct or peculiar climate-related transition risks in relation to its assets and business activities. Detailed assessments will be conducted in the future.</p>

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HKEx ESG Reporting Code General Disclosures (Part D)		Explanation/Reference Section
Climate-related opportunities		
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	The company's fitting-out business has been assessed to have no significant, direct or peculiar climate-related transition risks in relation to its assets and business activities. Detailed assessments will be conducted in the future.
Capital deployment		
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The company's fitting-out business has been assessed to have no direct and significant climate-related risks and opportunities in relation to its capital expenditure, financing or investment. Detailed assessments will be conducted in the future.
Internal carbon prices		
34	An issuer shall disclose: <ul style="list-style-type: none"> (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making. 	The Company did not involve internal carbon pricing for decision making.
Remuneration		
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Company did not factor climate-related and ESG considerations into its remuneration policies, and it has been assessed that such considerations play an insignificant role in the Company's remuneration framework.
Industry-based metrics		
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	The Company did not involve industry-based metrics.

Environmental, Social and Governance Report

HKEx ESG Reporting Code General Disclosures (Part D)		Explanation/Reference Section
Climate-related targets		
37	<p>An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. 	PROTECTING OUR ENVIRONMENT – Environmental targets
38	<p>An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <ul style="list-style-type: none"> (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions. 	PROTECTING OUR ENVIRONMENT – Environmental targets
39	<p>An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.</p>	PROTECTING OUR ENVIRONMENT – Environmental targets

Environmental, Social and Governance Report

HKEx ESG Reporting Code General Disclosures (Part D)	Explanation/Reference Section
<p>40 For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <ul style="list-style-type: none"> (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits. 	PROTECTING OUR ENVIRONMENT
Applicability of cross-industry metrics and industry-based metrics	
<p>41 In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).</p>	PROTECTING OUR ENVIRONMENT

Directors' Report

The Directors are pleased to present their annual report and the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services. The principal activities of its subsidiaries are set out in note 48 to the consolidated financial statements in this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 97 in this annual report.

The Board has proposed the payment of a final dividend of HK5 cents per Share for the Year to the Shareholders on the register of members of the Company on 9 June 2026, in an aggregate amount of HK\$107.9 million.

BUSINESS REVIEW

The review of the business of the Group during the Year and the discussion on the Group's future business development are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis", and the description of principal risks and uncertainties facing the Group and key financial performance indicators are set out in the section headed "Management Discussion and Analysis". The financial risk management objectives and policies of the Group are set out in note 42 to the consolidated financial statements in this annual report. In addition, discussions on the Group's relationships with key stakeholders, environmental policies and performance and compliance with relevant laws and regulations which have a significant impact on the Group are as follows:

Relationship with key stakeholders

The Group's success also depends on the support from key stakeholders which comprise employees, customers and subcontractors and suppliers.

Employees

Employees are regarded as important and valuable assets of the Group. The objective of the Group's human resource management is to reward and recognise performing staff by providing a competitive remuneration package and implementing a performance appraisal system with appropriate incentives, and to promote career development and progression by appropriate trainings and by providing opportunities within the Group for career advancement.

Customers

The Group's principal customers are property developers, hotel owners and main contractors in Hong Kong, Macau, Singapore and the PRC. The Group provides professional and quality services in fitting-out business whilst maintaining long term profitability, business and asset growth. The Group maintains good reputation and long-term working relationships with its customers in the provision of product re-engineering and pre-fabrication technique for sizeable fitting-out projects to meet its customers' requirements.

Directors' Report

Subcontractors and suppliers

The Group firmly believes that its subcontractors and suppliers are equally important in cost control and increasing its bargaining power on procurement of materials, which further secures its competitiveness when bidding for tenders. The Group proactively communicates with its subcontractors and suppliers to ensure they are committed to delivering high-quality and sustainable products and services. Unless the customers require the Group to engage subcontractors and suppliers nominated by them, the Group will select subcontractors and suppliers from its approved lists of subcontractors and suppliers. In addition, during the continuance of the contracts with the subcontractors, the Group will provide them with its internal guidelines on safety and environmental issues and require them to follow. The Group effectively implements the subcontractor assessment process to monitor the performance of its subcontractors by conducting regular site visits, evaluation on the performance of the contract and other measures.

Environmental policies and performance

The Group believes that its business also depends on its ability to meet the customers' requirements in respect of safety, quality and environmental aspects. To meet the customers' requirements on safety, quality and environmental aspects, the Group has established safety, quality and environmental management systems. Through the systematic and effective control of its operations, compliance with safety, quality and environmental requirements can be further assured. The Group believes that its certifications to ISO 9001 and ISO 14001 enhance its public image and credibility and also help the Group improve its customers' confidence in its services. Details of the Group's environmental policies and performance are set out in the section headed "Environmental, Social and Governance Report" in this annual report.

Compliance with relevant laws and regulations

The Group mainly undertakes fitting-out works in Hong Kong, Macau, Singapore and the PRC, alteration and addition and construction works in Hong Kong and the operations of manufacturing, sourcing and distribution of interior decorative materials are primarily carried out in Hong Kong, Macau, the Philippines and the PRC. The Directors confirmed that during the Year, the Group had obtained all the registrations and certifications required for its business and operations and had complied with the applicable laws and regulations in Hong Kong, Macau, Singapore, the Philippines and the PRC in all material respects.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years is set out on page 178 in this annual report.

SHARE CAPITAL

As at 31 December 2025, the share capital structure of the Company comprised 2,158,210,000 Shares of no par value each, representing 100% of the total issued number of Shares. All the Shares in issue or to be issued shall rank *pari passu* in all respects.

Details of movements during the Year in the share capital of the Company are set out in note 37 to the consolidated financial statements in this annual report.

Directors' Report

Share Ownership Composition

As at 31 December 2025, the composition of ownership of the issued Shares was as follows:

Shareholders	Number of Shares	Approximate percentage of the total issued Shares
Reach Glory	1,281,516,117	59.38%
Caiyun International	353,144,337	16.36%
Mr. Chung Tsz Lung Jimmy (鍾子龍) (note)	20,000	0.00%
Public Shareholders	523,529,546	24.26%
Total	2,158,210,000	100.00%

Note: Mr. Chung Tsz Lung Jimmy (鍾子龍) is a director of one of the Company's indirect wholly-owned subsidiaries and therefore a core connected person of the Company.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution to the Shareholders in accordance with the Articles of Association amounted to HK\$1,392.4 million.

Details of movements in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity on page 100 and note 38 to the consolidated financial statements, respectively in this annual report.

DIRECTORS

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

Executive Directors

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

Non-executive Director

Mr. Liu (*Chairman*)

Independent non-executive Directors

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

Directors' Report

In accordance with article 75(1) of the Articles of Association and pursuant to code provision B.2.2 of the CG Code, Mr. Liu, Mr. Ng Chi Hang and Mr. Huang Pu shall retire by rotation at the AGM and, being eligible, will offer themselves for re-election at the AGM.

Information regarding the Directors' and chief executive's emoluments are set out in note 12 to the consolidated financial statements in this annual report.

DIRECTORS' PROFILES

For details of the Directors' profiles, please see "Biographies of Directors and Senior Management" in this annual report.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Nomination Committee reviewed the independence of independent non-executive Directors and was of the view that each of Ms. Tam Yin Ming Cecilia, Mr. Huang Pu and Mr. Li Zheng satisfied the requirement under Rule 3.13 of the Listing Rules. The Company, based on the review by the Nomination Committee, considers that Ms. Tam Yin Ming Cecilia, Mr. Huang Pu and Mr. Li Zheng continue to be independent.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for election or re-election at the AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

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

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange are set out as follows:

Long position in the Shares and underlying Shares

Name of Director	Nature of interests/capacity	Number of Shares held	Approximate percentage of interests in the Company
Mr. Liu (<i>note</i>)	Interest in controlled corporation	1,281,516,117	59.38%

Note:

These Shares were indirectly held by Jangho Co through Jangho HK and Reach Glory. As Jangho Co was approximately 27.86% beneficially owned by Beijing Jiangheyuan (a company which was 85% and 15% beneficially owned by Mr. Liu and his spouse, Ms. Fu, respectively) and approximately 25.53% beneficially owned by Mr. Liu, Mr. Liu was deemed to be interested in such Shares under the SFO.

Directors' Report

Save as disclosed above, as at 31 December 2025, having made sufficient enquiry to and with the best knowledge of the Directors or the chief executive of the Company, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

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

As at 31 December 2025, and so far as is known to the Directors and the chief executive of the Company, the persons (other than the Directors or the chief executive of the Company) or entities who had an interest or a short position in the Shares and the underlying Shares (within the meaning of Part XV of the SFO), which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, are set out as follows:

Long positions in the Shares and underlying Shares

Name of substantial shareholder	Nature of interests/capacity	Number of Shares held	Approximate percentage of interests in the Company (Note 1)
Reach Glory	Beneficial owner	1,281,516,117	59.38%
Jangho HK (note 2)	Interest in controlled corporation	1,281,516,117	59.38%
Jangho Co (note 3)	Interest in controlled corporation	1,281,516,117	59.38%
Beijing Jiangheyuan (note 4)	Interest in controlled corporation	1,281,516,117	59.38%
Ms. Fu (note 5)	Interest of spouse	1,281,516,117	59.38%
Caiyun International	Beneficial owner	353,144,337	16.36%
Yunnan Co (note 6)	Interest in controlled corporation	353,144,337	16.36%

Notes:

- 2,158,210,000 Shares were in issue as at 31 December 2025.
- Reach Glory was beneficially wholly-owned by Jangho HK and therefore Jangho HK was deemed to be interested in the Shares held by Reach Glory under the SFO.
- Jangho HK was beneficially wholly-owned by Jangho Co and therefore Jangho Co was deemed to be interested in the Shares indirectly held by Jangho HK through Reach Glory under the SFO.
- Ms. Fu, the spouse of Mr. Liu, was the sole director of Beijing Jiangheyuan. The board of directors of Jangho Co was controlled by Beijing Jiangheyuan and therefore Beijing Jiangheyuan was deemed to be interested in the Shares indirectly held by Jangho Co through Jangho HK and Reach Glory under the SFO.
- Ms. Fu is the spouse of Mr. Liu and was therefore deemed to be interested in the Shares indirectly held by Mr. Liu under the SFO.
- Caiyun International was beneficially wholly-owned by Yunnan Co and therefore Yunnan Co was deemed to be interested in the Shares held by Caiyun International under the SFO.

Directors' Report

Save as disclosed above, the Directors and the chief executive of the Company are not aware of any other person (other than the Directors or the chief executive of the Company) who/which had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO as at 31 December 2025.

SHARE OPTION SCHEME

The Company's Share Option Scheme was adopted pursuant to a resolution passed on 1 December 2015 for the purpose of providing incentives or rewards to eligible persons who the Board considers, in its sole discretion, have contributed or will contribute to the Group. The Share Option Scheme was valid and effective for a period of 10 years commenced from 1 December 2015 and expired on 30 November 2025. As at the date of this annual report, the Share Option Scheme has been terminated and no further options may be granted thereunder, nor has the Company adopted any new share option scheme.

Under the Share Option Scheme, the Board may grant options to eligible persons, including directors of the Company and its subsidiaries, to subscribe for the Shares. Eligible persons of the Share Option Scheme, amongst others, include any executives, any employee (including proposed, full-time or part-time employee), a director or proposed director (including an independent non-executive director), a direct or indirect shareholder of any member of the Company and its subsidiaries and an associate of any of the aforementioned persons.

The Board shall set out in the offer the terms on which the option is to be granted. The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company must not exceed 30% of the Shares in issue from time to time. No options shall be granted under the Share Option Scheme at any time if such grant shall result in the scheme limit being exceeded.

As at the beginning of the Year, the total number of securities (excluding treasury shares) available for issue under the Share Option Scheme was 200,000,000 Shares, representing approximately 9.27% of the total number of issued Shares. The Company may seek approval of its Shareholders in general meeting for refreshing such 10% limit.

The maximum number of Shares issued and to be issued upon exercise of the options granted to each eligible person (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue for the time. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting.

Any grant of options to any Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates under the Share Option Scheme is subject to the prior approval of the independent non-executive Directors (excluding independent non-executive Directors who or whose associates are the grantee of an option). Where any grant of options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the Shares in issue on the date of such grant; and (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK\$5.0 million, such further grant of the options shall be subject to prior approval of the Shareholders with such person and his associates abstaining from voting in favour at the general meeting.

Directors' Report

An offer for the grant of option must be accepted within 28 days from the offer date. Options granted shall be taken up upon payment of HK\$1 as consideration for the grant of option. Options may be exercised at any time from the date on which the option is deemed to be granted and accepted and expired on the date as the Board in its absolute discretion determine and which shall not exceeding a period of 10 years from the date on which the share options are deemed to be granted and accepted but subject to the provisions for early termination thereof contained in the Share Option Scheme.

The exercise price of each option is determined by the Board, and shall not be less than whichever is the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the offer date.

Since the adoption of the Share Option Scheme and up to the date of this annual report, no share options had been granted. During the Year, no share options were granted, exercised, cancelled or lapsed. There were no outstanding share options at the beginning and the end of the Year. Accordingly, there were no share options subject to any vesting period under the Share Option Scheme.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

EQUITY-LINKED AGREEMENTS

Save as disclosed under the paragraph headed "Share Option Scheme" above, no equity-linked agreements were entered into by the Group, or existed during the Year.

CONNECTED TRANSACTIONS

Save as the transactions disclosed below, none of the related party transactions set out in note 47 to the consolidated financial statements in this annual report constituted non-exempt continuing connected transactions or connected transactions under Chapter 14A of the Listing Rules during the Year.

Continuing connected transactions

Business cooperation framework agreement

Jangho Co is a substantial shareholder of the Company and is therefore a connected person of the Company within the meaning of the Listing Rules. Mr. Liu is the legal representative, director and chairman of Jangho Co which was approximately 27.86% beneficially owned by Beijing Jiangheyuan (a company which was 85% and 15% beneficially owned by Mr. Liu and his spouse, Ms. Fu, respectively) and approximately 25.53% beneficially owned by Mr. Liu as at 31 December 2025.

Directors' Report

On 29 May 2025, the Company (for itself and on behalf of its subsidiaries) entered into a framework agreement on mutual provision of works and/or services (the "**Business Cooperation Framework Agreement**") with Jangho Co (for itself and on behalf of its subsidiaries, but excluding the members of the Group) ("**Jangho Group**"), for the period commenced from 29 May 2025 and ending on 31 December 2027. Under the Business Cooperation Framework Agreement, Jangho Group agreed to subcontract fitting-out works in relation to the projects undertaken by Jangho Group to the Group. The maximum annual transaction amounts for the three years ending 31 December 2027 are HK\$50 million, HK\$70 million and HK\$70 million, respectively ("**The Group's Annual Caps**"). During the Year, the aggregate transaction amount under The Group's Annual Caps was HK\$0.5 million.

Meanwhile, the Group agreed to subcontract specialised works and/or technical advisory services in relation to the projects undertaken by the Group to Jangho Group under the Business Cooperation Framework Agreement. The maximum annual transaction amounts for the three years ending 31 December 2027 are HK\$50 million, HK\$70 million and HK\$70 million, respectively ("**Jangho Group's Annual Caps**"). During the Year, the aggregate transaction amount under Jangho Group's Annual Caps was HK\$6.2 million.

For details of the Business Cooperation Framework Agreement, please refer to the announcement of the Company dated 29 May 2025.

Tenancy agreements

As at 28 February 2025, the Company was owned as to 59.38% by Reach Glory, an indirect wholly-owned subsidiary of Jangho Co. Reach Glory is a substantial shareholder of the Company and thus a connected person of the Company within the meaning of the Listing Rules.

Jangho Curtain Wall was a direct wholly-owned subsidiary of Jangho Co and a fellow subsidiary of Reach Glory, hence an associate of Reach Glory and thus a connected person of the Company within the meaning of the Listing Rules.

Jangho Smart was owned as to 50% by Jangho Curtain Wall and 50% by Jangho Co. It is a fellow subsidiary of Reach Glory, hence an associate of Reach Glory and thus a connected person of the Company within the meaning of the Listing Rules.

Beijing Huayu was a direct wholly-owned subsidiary of Jangho Chuangxin, which was then ultimately owned as to 89.5% by Mr. Liu, and 10.5% by his spouse, Ms. Fu. It was therefore an associate of Mr. Liu and thus a connected person of the Company within the meaning of the Listing Rules.

On 10 March 2023, Sundart Real Estate, as the landlord, entered into three tenancy agreements (collectively, "**Tenancy Agreements**") with each of Jangho Curtain Wall, Jangho Smart and Beijing Huayu, as tenants, respectively, pursuant to which the landlord agreed to lease the properties to the respective tenants for a fixed term commenced from 10 March 2023 to 28 February 2025.

Directors' Report

A summary of the principal terms of the respective Tenancy Agreements was set out as follows:

Landlord	Tenant	Property	Total construction area (<i>m</i> ²)	Monthly rent (<i>Note</i>)	Usage
Sundart Real Estate	Jangho Curtain Wall	2nd Floor – 6th Floor, Block no. 5, Aidi Lixiang Centre, Yard no. 10, Duyang South Street, Shunyi District, Beijing, the PRC* (中國北京市順義區杜楊南街10號院艾迪理想中心5號樓2-6層)	5,569	RMB466,212	Office
Sundart Real Estate	Jangho Smart	7th Floor (North), Block no. 5, Aidi Lixiang Centre, Yard no. 10, Duyang South Street, Shunyi District, Beijing, the PRC* (中國北京市順義區杜楊南街10號院艾迪理想中心5號樓7層北半部分)	580	RMB48,555	Office
Sundart Real Estate	Beijing Huayu	9th Floor and 10th Floor, Block no. 5, Aidi Lixiang Centre, Yard no. 10, Duyang South Street, Shunyi District, Beijing, the PRC* (中國北京市順義區杜楊南街10號院艾迪理想中心5號樓9層、10層)	1,983.06	RMB138,344	Office

Note: The monthly rent included heating fees but excludes tax, management fees and air conditioning fees.

The maximum annual cap for the transactions under the respective Tenancy Agreements for the period from 10 March 2023 to 28 February 2025 were as follows (the “**Tenancy Annual Caps**”):

Tenant	From 10 March 2023 to 31 December 2023 (<i>RMB</i>)	From 1 January 2024 to 31 December 2024 (<i>RMB</i>)	From 1 January 2025 to 28 February 2025 (<i>RMB</i>)
Jangho Curtain Wall	4,526,768	5,594,544	932,424
Jangho Smart	471,453	582,660	97,110
Beijing Huayu	1,343,276	1,660,128	276,688
Total	6,341,497	7,837,332	1,306,222

During the Year, the transaction amount under each of the Tenancy Agreements was the same as the Tenancy Annual Caps.

For details of the Tenancy Agreements, please refer to the announcement of the Company dated 10 March 2023.

Directors' Report

Construction management services entrustment agreement

As at 31 December 2025, Jangho Chuangxin was owned as to 30% by Ms. Liu Kuihui (劉魁輝) (the sister of Mr. Liu) and 70% by Ms. Fu Haiyan (富海燕) (the sister of Ms. Fu), and thus a deemed connected person of the Company within the meaning of the Listing Rules.

On 31 May 2024, Guangdong Sundart, as the landlord, and Jangho Chuangxin, as the agent, entered into the construction management services entrustment agreement (the "**Entrustment Agreement**"), pursuant to which the landlord entrusted the agent to conduct the overall construction management of the manufacturing plant and the warehouse to be developed at the land owned by the Group at East Side of Kechuang Avenue, Guangzhou (Meizhou) Industries Transfer Industrial Park (Land Parcel No. GZ230035-1)* (廣州(梅州)產業轉移工業園科創大道東側(宗地編號: GZ230035-1)) for a fixed term commenced from 1 June 2024 to 31 May 2026. The maximum annual caps for the three years ending 31 May 2026 are RMB3,062,500, RMB5,250,000 and RMB2,187,500, respectively (the "**Entrustment Annual Caps**"). During the Year, the transaction amount under the Entrustment Agreement was the same as the Entrustment Annual Caps.

For details of the Entrustment Agreement, please refer to the announcement of the Company dated 31 May 2024.

The Business Cooperation Framework Agreement, the Tenancy Agreements and the Entrustment Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios (other than the profits ratio) in respect of transactions under the Business Cooperation Framework Agreement, the Tenancy Agreements and the Entrustment Agreement are, on an annual basis, more than 0.1% but less than 5%, the transactions are subject to the reporting, annual review and announcement requirements but are exempt from the circular and Shareholders' approval requirements under Rule 14A.76(2)(a) of the Listing Rules.

The independent non-executive Directors have reviewed and confirmed that the continuing connected transactions for the Year have been entered into (i) in the ordinary and usual course of the business of the Group; (ii) on normal commercial terms or better; (iii) on terms that are fair and reasonable according to the relevant agreements governing them and in the interests of the Shareholders as a whole; and (iv) within the caps as disclosed in the relevant announcements. The auditor of the Company was engaged to report on the continuing connected transactions entered into by the Group for the Year in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "*Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*" and with reference to Practice Note 740 (Revised) "*Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules*" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules.

The Board confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in relation to the aforesaid continuing connected transactions.

Directors' Report

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as those disclosed under the paragraph headed "Connected Transactions" above and in note 47 to the consolidated financial statements in this annual report, no other transactions, arrangements and contracts of significance, to which the Company or any of its subsidiaries was a party and in which a Director or a connected entity of a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

CONTRACTS OF SIGNIFICANCE BETWEEN THE GROUP AND THE CONTROLLING SHAREHOLDERS AND THEIR RESPECTIVE SUBSIDIARIES

For particulars of the contracts of significance between the Group and the controlling shareholders of the Company or their respective subsidiaries or the contracts of significance for the provision of services to the Group by the controlling shareholders of the Company or their respective subsidiaries, please see the paragraph headed "Connected Transactions" above and note 47 to the consolidated financial statements in this annual report, respectively.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into by the Group or existed during the Year.

COMPETING BUSINESS

During the Year, none of the Directors or the controlling shareholders of the Company and their respective associates had any interests in a business, apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group or has any other conflict of interest with the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

Non-competition undertaking

In order to avoid any possible future competition between the Group and each of the controlling shareholders of the Company, each of the controlling shareholders of the Company as a covenantor (the "**Covenantor**") executed the Amended Deed, pursuant to which, each of the Covenantors undertakes, *inter alia*, that it/he/she will not, and will use its/his/her best endeavours to procure, its/his/her close associates (other than any member of the Group) not to, whether directly or indirectly, whether for profit or not, participate in or engage in any business which, directly or indirectly, competes or may compete with the Group's business. For details, please refer to the announcements of the Company dated 17 May 2017 and 25 July 2017 and the circular of the Company dated 30 June 2017, respectively.

The independent non-executive Directors have reviewed on the compliance with the terms of the Amended Deed and considered that the Covenantors have complied with the terms of the Amended Deed and the enforcement of the undertakings contained therein by the parties thereto.

Directors' Report

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director shall be entitled to be indemnified out of the assets or profits of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

The Company has arranged appropriate directors' and officers' liability insurance coverage for its Directors and officers.

RETIREMENT BENEFIT SCHEMES

Details of the Group's retirement benefit schemes are set out in note 44 to the consolidated financial statements in this annual report.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or applicable laws of the BVI where the Company is incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

SANCTIONS

During the Year, two meetings of the Internal Control Committee were held on 19 March 2025 and 26 August 2025, respectively, to review, *inter alia*, the Group's guidelines and procedures with respect to sanction law matters. The Internal Control Committee was of the view that such guidelines and procedures, which have been complied with, were effective and well-functioned.

As at 31 December 2025, the Group has not used any funds raised through the Stock Exchange, to finance or facilitate, directly or indirectly, any activities or business in breach of the sanctions enacted, enforced or imposed by the United States government, the European Union and Australian government with respect to Russia.

SUFFICIENCY OF PUBLIC FLOAT

As at 31 December 2025, based on the information publicly available to the Company and to the best knowledge of the Directors, the Company did not maintain the minimum public float as required under Rule 13.32B of the Listing Rules. The public float of the Company was approximately 24.26%, which remained below the minimum (the "**Minimum Prescribed Percentage**") as prescribed by Rule 13.32B(1) of the Listing Rules.

The Company is considering steps to restore its public float to the Minimum Prescribed Percentage in accordance with the Listing Rules.

For details, please refer to the announcements of the Company dated 9 February 2026, 3 March 2026, 5 March 2026 and 9 April 2026.

Directors' Report

CHARITABLE DONATIONS

Charitable donations made by the Group during the Year amounted to HK\$0.2 million.

MAJOR CUSTOMERS, SUBCONTRACTORS AND SUPPLIERS

For the Year, the aggregate amount of revenue attributable to the Group's five largest customers accounted for 41.1% of the Group's total revenue and the revenue from its largest customer accounted for 11.4% of its total revenue.

In addition, the Group's purchases attributable to its five largest subcontractors and suppliers accounted for less than 30% of the Group's total purchases.

During the Year, none of the Directors, their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the total number of issued Shares) had any interests in any of the Group's five largest customers.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

AUDITOR

The Group's consolidated financial statements and the related notes thereto for the Year as set out in this annual report have been audited by BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. A resolution to re-appoint BDO Limited as the auditor of the Company will be submitted for Shareholders' approval at the AGM.

On behalf of the Board

Ng Tak Kwan

Chief Executive Officer and Executive Director

Hong Kong, 19 March 2026

Independent Auditor's Report



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TO THE SHAREHOLDERS OF SUNDART HOLDINGS LIMITED 承達集團有限公司

(incorporated in British Virgin Islands with limited liability)

OPINION

We have audited the consolidated financial statements of SUNDART HOLDINGS LIMITED 承達集團有限公司 (the "Company") and its subsidiaries (together the "Group") set out on pages 97 to 177, 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 policies 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 as issued by the Hong Kong Institute of Certified Public Accountants ("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 ("HKSAs") 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 judgment, 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.

Independent Auditor's Report

KEY AUDIT MATTERS *(Continued)*

Contract revenue from fitting-out works

We identified the contract revenue from fitting-out works as a key audit matter as they are quantitatively significant to the consolidated financial statements as a whole and there are significant judgments exercised by the management of the Group in determining the total outcome of the projects as well as the stage of completion of construction works and the amount of contract revenue recognised.

The Group recognises contract revenue by reference to the progress towards complete satisfaction of the relevant performance obligation using input method, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. If actual contract costs deviates significantly from the budgets, the actual profit for each of the individual projects would differ significantly from the estimate. Accordingly, recognition of contract revenue involves a significant degree of management estimates and judgment, with estimates being made to assess the total contract costs and stage of completion of the contract. The details of the accounting policies and estimation uncertainty in relation to revenue recognition on fitting-out works are set out in notes 3 and 4, respectively, to the consolidated financial statements.

As disclosed in note 5 to the consolidated financial statements, the contract revenue from fitting-out works amounted to HK\$5,008,703,000 for the year ended 31 December 2025.

Our response:

Our procedures in relation to contract revenue and contract costs included:

- Understanding the Group's internal process over the recognition of contract revenue;
- Discussing with the project managers, quantity surveyors and the management of the Group and checking the supporting documents including contracts and variation orders to evaluate the reasonableness of the management's estimation of the budgeted contract costs, on a sample basis;
- Checking to the interim assessment issued by the customer during the year to evaluate the reasonableness of contract revenue recognised to the revenue during the year, on a sample basis;
- Recalculating the percentage of completion based on accumulated actual cost incurred to date over the total budget cost, on a sample basis; and
- Agreeing the contract costs, on a sample basis, incurred to date to the subcontractor payment certificates and supplier invoices.

Independent Auditor's Report

KEY AUDIT MATTERS *(Continued)*

Estimated provision of expected credit losses ("ECL") for trade receivables (including unbilled receivables) and contract assets

We identified the estimated provision of ECL for trade receivables and contract assets as a key audit matter due to the significance to the consolidated financial position as a whole and the use of judgement and estimates by the management of the Group in determining the allowance for credit losses.

As shown in notes 24 and 27 to the consolidated financial statements, as at 31 December 2025, the carrying amounts of trade receivables and contract assets are HK\$2,263,939,000 (net of allowance for credit losses of HK\$254,667,000) and HK\$1,115,165,000 (net of allowance for credit losses of HK\$33,056,000), respectively.

As disclosed in note 4 to the consolidated financial statements, the management of the Group estimates the amount of lifetime ECL of trade receivables and contract assets. For trade receivables and contract assets that the Group does not have reasonable and supportable information that is available without undue cost or effort to measure ECL on individual basis, collective assessments is performed through grouping of various debtors that have similar loss patterns, after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective debtors. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for reasonable and supportable forward-looking information that is available without undue costs or effort. In addition, trade receivables and contract assets that are credit-impaired are assessed for ECL individually. The loss allowance of trade receivables and contract assets is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses.

As disclosed in note 42 to the consolidated financial statements, the impairment losses of HK\$55,923,000 and HK\$114,000 in respect of the trade receivables and contract assets were recognised in profit or loss by the Group for the year ended 31 December 2025, respectively.

Our response:

Our procedures in relation to the estimated provision of ECL for trade receivables and contract assets included:

- Obtaining an understanding of key process on how the management estimates the ECL of trade receivables and contract assets including the individual assessment on the credit-impaired trade receivables and contract assets and the use of collective assessment;
- Testing the integrity of information used by management to develop the internal credit rating, by checking relevant websites and other supporting information for the nature and industry of the trade debtors, on a sample basis;
- Checking the appropriateness of the data used by management to develop the internal credit rating, including the trade receivable ageing analysis and contract assets as at 31 December 2025, on a sample basis, by comparing individual items in the analysis with the relevant invoice/progress certificate and/or other supporting documents;
- Challenging management's basis and judgement in identification of credit-impaired trade receivables and contract assets as at 31 December 2025, and the reasonableness of management's grouping of the remaining trade debtors into different categories in the collective assessment; and
- Discussing with the specialist appointed by the Group and involving our specialist to evaluate the appropriateness of the valuation methodology adopted by the management and the reasonableness of the assumptions including estimated loss rates applied in each category in the collective assessment and forward-looking information.

Independent Auditor's Report

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include 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.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited

Certified Public Accountants

Lau Kin Tat, Terry

Practising Certificate no. P07676

Hong Kong, 19 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	5	5,135,788	5,996,777
Cost of sales		(4,451,091)	(5,196,573)
Gross profit		684,697	800,204
Other income, other gains and losses	7	38,012	2,278
Impairment losses under expected credit loss model, net of reversal	8	(57,778)	(53,011)
Selling expenses		(22,806)	(15,565)
Administrative expenses		(242,167)	(244,597)
Other expenses		(92,934)	(97,930)
Share of result of an associate		203	58
Share of result of a joint venture		5,232	–
Finance costs	9	(2,287)	(2,163)
Profit before tax		310,172	389,274
Income tax expense	10	(44,087)	(68,477)
Profit for the year	11	266,085	320,797
Profit attributable to:			
Owners of the Company		267,276	320,797
Non-controlling interests		(1,191)	–
		266,085	320,797
Profit for the year		266,085	320,797
Other comprehensive income (expenses)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		49,479	(37,994)
Share of other comprehensive income (expense) of an associate		1,567	(473)
Share of other comprehensive income of a joint venture		4,290	–
Other comprehensive income (expenses) for the year		55,336	(38,467)
Total comprehensive income for the year		321,421	282,330
Total comprehensive income attributable to:			
Owners of the Company		322,612	282,330
Non-controlling interests		(1,191)	–
		321,421	282,330
Earnings per share			
Basic and diluted (HK cents)	15	12.38	14.86

Consolidated Statement of Financial Position

At 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	16	588,871	240,831
Right-of-use assets	17	45,615	55,570
Investment properties	18	53,838	149,818
Goodwill	19	1,510	1,510
Interest in an associate	20	94,241	92,471
Interest in a joint venture	21	152,435	–
Financial assets at fair value through profit or loss	22	21,063	23,535
Prepayments	24	11,559	–
Deferred tax assets	36	36,537	35,475
		1,005,669	599,210
Current assets			
Inventories	23	23,536	30,960
Trade and other receivables and bills receivable	24	2,791,505	2,757,489
Amount due from a related company	25	–	297
Amounts due from fellow subsidiaries	26	2,092	4,625
Contract assets	27	1,115,165	1,011,449
Tax recoverable		844	15,331
Pledged bank deposits	28	138,272	55,524
Bank balances and cash	28	1,985,117	2,640,930
		6,056,531	6,516,605
Current liabilities			
Trade and other payables	29	2,605,307	2,454,592
Bills payable	30	528,412	612,931
Amount due to a related company	31	130	–
Amounts due to fellow subsidiaries	32	542	3
Tax payable		39,398	62,306
Bank borrowings	33	40,639	10,904
Lease liabilities	34	12,832	11,985
Contract liabilities	35	209,855	216,270
		3,437,115	3,368,991
Net current assets		2,619,416	3,147,614
Total assets less current liabilities		3,625,085	3,746,824

Consolidated Statement of Financial Position

At 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Capital and reserves			
Share capital	37	1,246,815	1,246,815
Reserves		2,368,769	2,477,799
Equity attributable to owners of the Company		3,615,584	3,724,614
Non-controlling interests		9	–
Total equity		3,615,593	3,724,614
Non-current liabilities			
Deferred tax liabilities	36	817	3,240
Lease liabilities	34	8,675	18,970
		9,492	22,210
		3,625,085	3,746,824

The consolidated financial statements on pages 97 to 177 were approved and authorised for issue by the board of directors on 19 March 2026 and are signed on its behalf by:

Ng Tak Kwan
Director

Xie Jianyu
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company										Non-controlling interests	Total equity
	Share capital	Share premium	Legal reserve	Statutory reserve	Property revaluation reserve	Shareholders' contribution reserve	Translation reserve	Other reserves	Accumulated profits	Total		
	HK\$'000	HK\$'000	HK\$'000 (Note a)	HK\$'000 (Note b)	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Note c)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024	1,246,815	19,700	60	92,795	16,274	6,615	(87,455)	(277,406)	2,424,883	3,442,281	-	3,442,281
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(37,994)	-	-	(37,994)	-	(37,994)
Share of other comprehensive expense of an associate	-	-	-	-	-	-	(473)	-	-	(473)	-	(473)
Profit for the year	-	-	-	-	-	-	-	-	320,797	320,797	-	320,797
Total comprehensive income for the year	-	-	-	-	-	-	(38,467)	-	320,797	282,330	-	282,330
Transfer from accumulated profits to statutory reserve	-	-	-	5,750	-	-	-	-	(5,750)	-	-	-
Unclaimed dividends write back	-	-	-	-	-	-	-	-	3	3	-	3
At 31 December 2024	1,246,815	19,700	60	98,545	16,274	6,615	(125,922)	(277,406)	2,739,933	3,724,614	-	3,724,614
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	49,479	-	-	49,479	-	49,479
Share of other comprehensive income of an associate	-	-	-	-	-	-	1,567	-	-	1,567	-	1,567
Share of other comprehensive income of a joint venture	-	-	-	-	-	-	4,290	-	-	4,290	-	4,290
Profit for the year	-	-	-	-	-	-	-	-	267,276	267,276	(1,191)	266,085
Total comprehensive income for the year	-	-	-	-	-	-	55,336	-	267,276	322,612	(1,191)	321,421
Transfer from accumulated profits to statutory reserve	-	-	-	3,276	-	-	-	-	(3,276)	-	-	-
Deemed contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,200	1,200
Dividends paid (note 14)	-	-	-	-	-	-	-	-	(431,642)	(431,642)	-	(431,642)
At 31 December 2025	1,246,815	19,700	60	101,821	16,274	6,615	(70,586)	(277,406)	2,572,291	3,615,584	9	3,615,593

Notes:

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

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Operating activities		
Profit before tax	310,172	389,274
Adjustments for:		
Finance costs	2,343	2,254
Interest income	(45,904)	(50,529)
Share of result of an associate	(203)	(58)
Share of result of a joint venture	(5,232)	–
Depreciation of property, plant and equipment	20,985	16,999
Depreciation of right-of-use assets	13,944	14,941
Impairment losses under expected credit loss model, net of reversal	57,778	53,011
Loss on disposal of property, plant and equipment	2,042	1,162
Loss from fair value changes of investment properties	11,134	11,551
Net loss from fair value changes of financial assets at fair value through profit or loss	2,445	57,366
Write-down (reversal of write-down) of inventories to net realisable value	45	(10,174)
Operating cash flows before movements in working capital	369,549	485,797
Decrease in inventories	7,379	44,370
(Increase) decrease in trade and other receivables and bills receivable	(43,522)	344,429
Decrease in amount due from a related company	300	1
Decrease (increase) in amounts due from fellow subsidiaries	2,593	(2,975)
(Increase) decrease in contract assets	(96,212)	409,625
Increase (decrease) in trade and other payables	106,503	(419,254)
(Decrease) increase in bills payable	(98,583)	22,118
Increase in amount due to a related company	128	–
Increase (decrease) in amounts due to fellow subsidiaries	534	(274)
Decrease in contract liabilities	(7,514)	(7,277)
Cash generated from operations	241,155	876,560
Income tax paid	(71,482)	(79,950)
Income tax refunded	14,674	15,785
Net cash from operating activities	184,347	812,395

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Investing activities			
Interest received		45,904	50,659
Proceeds from disposal of financial assets at fair value through profit or loss		–	27,782
Withdrawal of other financial assets at amortised cost		–	52,299
Proceeds from disposal of property, plant and equipment		705	–
Purchases of financial assets at fair value through profit or loss		–	(34,849)
Purchases of other financial assets at amortised cost		–	(42,671)
Purchases of property, plant and equipment		(277,411)	(30,106)
Purchases of right-of-use assets		(82)	(25,831)
Prepayment for property, plant and equipment		(11,559)	–
Advances to a joint venture		(142,913)	–
Withdrawal of pledged bank deposits		124,374	117,952
Placement of pledged bank deposits		(205,721)	(122,405)
Withdrawal of fixed deposits with original maturity of more than three months		1,028,842	992,548
Placement of fixed deposits with original maturity of more than three months		(561,461)	(1,230,039)
Net cash from (used in) investing activities		678	(244,661)
Financing activities			
Dividends paid	46	(431,642)	–
Unclaimed dividends write back	46	–	3
Proceeds from bank borrowings		60,639	42,397
Repayments of bank borrowings		(31,177)	(31,809)
Principal paid on lease liabilities		(12,711)	(14,575)
Interest paid on lease liabilities		(1,417)	(873)
Interest paid on bank borrowings		(926)	(1,381)
Deemed contribution from non-controlling interests		1,200	–
Net cash used in financing activities		(416,034)	(6,238)
Net (decrease) increase in cash and cash equivalents		(231,009)	561,496
Cash and cash equivalents at the beginning of the year		1,704,891	1,178,178
Effect of foreign exchange rate changes on cash and cash equivalents		42,577	(34,783)
Cash and cash equivalents at the end of the year		1,516,459	1,704,891
Represented by:			
Bank balances and cash		1,985,117	2,640,930
Less: Fixed deposits with original maturity of more than three months		(468,658)	(936,039)
		1,516,459	1,704,891

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

The Company is a public limited company incorporated in the British Virgin Islands (the “BVI”) on 21 May 2001 as an international business company, governed by the International Business Companies Act (Cap 291) and was automatically re-registered as a BVI business company with limited liability on 1 January 2007 under the BVI Companies Act, and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, BVI, VG1110 and 19/F, Millennium City 3, 370 Kwun Tong Road, Kowloon, the Hong Kong Special Administrative Region (“Hong Kong”), respectively.

The ultimate holding company of the Company is 江河創建集團股份有限公司 (“Jangho Co”), a joint stock company incorporated in the PRC and listed on the Shanghai Stock Exchange. The Company’s ultimate controlling party is Mr. Liu Zaiwang (“Mr. Liu”), the chairman of Jangho Co.

The Company acts as an investment holding company and provides corporate management services. The principal activities of the Company’s subsidiaries are set out in note 48.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(Continued)*

New and amendments to HKFRS Accounting Standards that have been issued but are not yet effective

The Group has not early applied the following new and amendments to standards that have been issued by the HKICPA but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²
HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ²
HK Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The directors of the Company are currently assessing the potential impact of HKFRS 18 and amendments to HKFRS 9 and HKFRS 7. The directors do not anticipate that the application of the remaining new and amendments to standards will have material impact on the consolidated financial statements in the foreseeable future.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, financial information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

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.

For certain financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(Continued)*

3.1 Basis of preparation of consolidated financial statements *(Continued)*

In addition, for financial reporting purposes, fair value measurements are categorised into Levels 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

3.2 Accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(Continued)*

3.2 Accounting policies *(Continued)*

Investments in associates and joint ventures

An associate is an entity over which the Group 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 joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates or joint ventures are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates or joint ventures.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Revenue from contracts with customers

The Group engages in the provision of fitting-out works and alteration and addition and construction works. Under the terms of contracts, the Group's performance creates and enhances the properties which the customers control during the course of work performed by the Group. Revenue from provision of contracting services is therefore recognised based on the stage of completion of contract over time using input method. The stage of completion is assessed by reference to the contract costs incurred for work performed to date relative to the estimated total contract costs.

The Group normally receives progress payment from customers on a monthly basis with reference to the value of works done. The Group requires certain customers to provide upfront deposits ranging from 5% to 30% of total contract sum. The deposit received by the Group before the project commences will give rise to contract liabilities at the start of a contract, until the full amount of deposit is deducted proportionately from monthly progress payment.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(Continued)*

3.2 Accounting policies *(Continued)*

Revenue from contracts with customers *(Continued)*

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed and not billed because the rights are conditional on the Group's future performance accepted by the customers. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers its contract assets to trade receivables when progress certificate/invoice is issued.

Retentions receivable, prior to expiration of maintenance period, are classified as contract assets. The relevant amount of contract assets is reclassified to trade receivables when the maintenance period expires, and/or the maintenance/payment certificate is issued, and/or the final account is issued. The Group generally provides customers with one to two years maintenance period from the date of the practical completion of the project. The Group typically agrees 5% of the total contract sum as retention money, of which half will generally be released after the issue of the certificate of practical completion of the project and the remaining portion will be released within the specified terms in the contract upon the issue of certificate of completion of making good defects after the expiry of the defect liability period.

The maintenance period serves as an assurance that the construction services performed comply with agreed upon specifications and such assurance cannot be purchased separately. Retentions receivable is intended to protect the customer from the Group's failing to adequately complete its obligations under the contract, rather than for the provision of finance. The Group accounts for this in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and had not accounted for as separate performance obligations and hence no revenue is allocated to them.

For revenue from provision of fitting-out works and alteration and addition and construction works that contain variable consideration such as variations in contract work and claims, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method; or (b) the most likely amount method, depending on which method better predicts the amount of consideration to which the Group will be entitled. The estimate amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessments of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(Continued)*

3.2 Accounting policies *(Continued)*

Leases

Definition of 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.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of leased properties, machinery and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(Continued)*

3.2 Accounting policies *(Continued)*

Leases *(Continued)*

The Group as a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risk and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(Continued)*

3.2 Accounting policies *(Continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Employee benefits

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme ("MPF Scheme") and other defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(Continued)*

3.2 Accounting policies *(Continued)*

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences using liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary difference. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(Continued)*

3.2 Accounting policies *(Continued)*

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

If a property becomes an investment property because its use has changed as evidenced by end of owner occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to accumulated profits.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(Continued)*

3.2 Accounting policies *(Continued)*

Impairment on property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established. The recoverable amount is determined for the cash-generating unit to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(Continued)*

3.2 Accounting policies *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contract with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

Classification and subsequent measurement of financial assets

(i) Financial assets at amortised cost

Debt instrument, including trade and other receivables and bills receivable that is held within a business model whose objective is to collect contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, which is subsequently measured at amortised cost.

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(Continued)*

3.2 Accounting policies *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 *Financial Instruments*

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets including trade and other receivables and bills receivable, amount due from a related company, amounts due from fellow subsidiaries, pledged bank deposits and bank balances, and contract assets which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables (including unbilled receivables), bills receivable and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(Continued)*

3.2 Accounting policies *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 *Financial Instruments (Continued)*

(i) Significant increase in credit risk *(Continued)*

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and/or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(Continued)*

3.2 Accounting policies *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 *Financial Instruments (Continued)*

(iii) Credit-impaired financial assets *(Continued)*

- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables, bills receivable and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(Continued)*

3.2 Accounting policies *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 *Financial Instruments (Continued)*

(v) Measurement and recognition of ECL *(Continued)*

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- past-due status;
- nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by the management of the Group to ensure the constituents of each group continue to share similar credit risk characteristics.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including trade and other payables, bills payable, amounts due to fellow subsidiaries, bank borrowings and lease liabilities) are subsequently measured at amortised cost, using the effective interest method.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Estimation uncertainty on supply and installation contracts of fitting-out works

As detailed in note 3, the Group recognises contract revenue by reference to the progress towards complete satisfaction of the relevant performance obligation using input method, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. If actual contract costs deviates significantly from the budgets, the actual profit for each of the individual projects would differ significantly from the estimate. Accordingly, recognition of contract revenue involves a significant degree of management estimates and judgement, with estimates being made to assess the total contract costs and stage of completion of the contract.

Provision of ECL for trade receivables (including unbilled receivables) and contract assets

Trade receivables and contract assets considered to be credit-impaired are assessed for ECL individually.

In addition, for trade receivables and contract assets that the Group does not have reasonable and supportable information that is available without undue cost or effort to measure ECL on individual basis, collective assessment is performed by grouping debtors based on the Group's internal credit ratings.

The provision of ECL is sensitive in estimates, the information about the ECL and the Group's trade receivables and contract assets are disclosed in note 42.

Fair values of investment properties

Investment properties are stated at fair values based on the valuation performed by an independent professional valuer. The determination of the fair values involves certain assumptions of market conditions which are set out in note 18.

In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Changes to these assumptions, including the potential risk of any market volatility, or other unexpected incidents would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

As at 31 December 2025, the carrying amount of the Group's investment properties is HK\$53,838,000 (2024: HK\$149,818,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contract revenue from fitting-out works	5,008,703	5,992,431
Contract revenue from alteration and addition and construction works	4,979	2,364
Manufacturing, sourcing and distribution of interior decorative materials	122,106	1,982
	5,135,788	5,996,777

For the year ended 31 December 2025

	Fitting-out works <i>HK\$'000</i>	Alteration and addition and construction works <i>HK\$'000</i>	Manufacturing, sourcing and distribution of interior decorative materials <i>HK\$'000</i>	Total <i>HK\$'000</i>
Geographical markets				
Hong Kong	1,917,362	4,979	–	1,922,341
Macau	519,967	–	–	519,967
The Republic of Singapore ("Singapore")	274,799	–	–	274,799
The PRC	2,296,575	–	118	2,296,693
The Republic of the Philippines (the "Philippines")	–	–	121,988	121,988
Total	5,008,703	4,979	122,106	5,135,788
Timing of revenue recognition				
A point in time	–	–	122,106	122,106
Over time	5,008,703	4,979	–	5,013,682
Total	5,008,703	4,979	122,106	5,135,788

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE (Continued)

For the year ended 31 December 2024

	Fitting-out works <i>HK\$'000</i>	Alteration and addition and construction works <i>HK\$'000</i>	Manufacturing, sourcing and distribution of interior decorative materials <i>HK\$'000</i>	Total <i>HK\$'000</i>
Geographical markets				
Hong Kong	2,017,394	2,364	30	2,019,788
Macau	261,684	–	–	261,684
Singapore	1,356,543	–	–	1,356,543
The PRC	2,356,810	–	433	2,357,243
The Philippines	–	–	1,519	1,519
Total	5,992,431	2,364	1,982	5,996,777
Timing of revenue recognition				
A point in time	–	–	1,982	1,982
Over time	5,992,431	2,364	–	5,994,795
Total	5,992,431	2,364	1,982	5,996,777

Note: The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and the expected timing of recognising revenue are as follows:

	Construction contracts	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within one year	4,549,862	3,440,891
More than one year but not more than two years	951,187	1,694,135
Over two years	278,561	657,036
Total	5,779,610	5,792,062

Certain services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. OPERATING SEGMENTS *(Continued)*

Segment revenue and results *(Continued)*

For the year ended 31 December 2024

	Fitting-out works in Hong Kong <i>HK\$'000</i>	Fitting-out works in Macau <i>HK\$'000</i>	Fitting-out works in Singapore <i>HK\$'000</i>	Fitting-out works in the PRC <i>HK\$'000</i>	Alteration and addition and construction works in Hong Kong <i>HK\$'000</i>	Manufacturing, sourcing and distribution of interior decorative materials <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue									
External revenue	2,017,394	261,684	1,356,543	2,356,810	2,364	1,982	5,996,777	-	5,996,777
Inter-segment revenue	-	-	-	-	-	525,569	525,569	(525,569)	-
Segment revenue	2,017,394	261,684	1,356,543	2,356,810	2,364	527,551	6,522,346	(525,569)	5,996,777
Segment profit (loss)	77,618	15,995	225,145	(49,302)	(29,953)	201,886	441,389	-	441,389
Share of result of an associate									58
Unallocated other income									60,604
Unallocated corporate expenses									(110,614)
Unallocated finance costs									(2,163)
Profit before tax									389,274

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit/loss represented the profit earned by/loss from each segment, excluding income and expenses of the corporate function, which included certain other income, certain selling expenses, certain administrative expenses, certain other expenses, share of results of an associate and a joint venture and finance costs. This is the measure reported to the Company's executive directors for the purposes of resource allocation and performance assessment.

Inter-segment revenue was charged at prevailing market rates.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Segment assets		
Fitting-out works in Hong Kong	1,289,382	1,115,422
Fitting-out works in Macau	278,624	212,991
Fitting-out works in Singapore	82,382	178,777
Fitting-out works in the PRC	2,368,819	2,198,542
Alteration and addition and construction works in Hong Kong	51,163	63,575
Manufacturing, sourcing and distribution of interior decorative materials	369,306	214,136
Total segment assets	4,439,676	3,983,443
Unallocated corporate assets		
Property, plant and equipment	42,562	43,842
Right-of-use assets	1,363	1,191
Investment properties	53,838	149,818
Interest in an associate	94,241	92,471
Interest in a joint venture	152,435	–
Financial assets at FVTPL	21,063	23,535
Deferred tax assets	36,537	35,475
Other receivables, prepayments and deposits	96,252	74,255
Tax recoverable	844	15,331
Pledged bank deposits	138,272	55,524
Bank balances and cash	1,985,117	2,640,930
Total consolidated assets of the Group	7,062,200	7,115,815

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Segment liabilities		
Fitting-out works in Hong Kong	570,543	518,835
Fitting-out works in Macau	188,591	70,312
Fitting-out works in Singapore	37,536	135,231
Fitting-out works in the PRC	2,255,238	2,264,200
Alteration and addition and construction works in Hong Kong	46,853	53,989
Manufacturing, sourcing and distribution of interior decorative materials	110,116	110,437
Total segment liabilities	3,208,877	3,153,004
Unallocated corporate liabilities		
Other payables	155,659	160,695
Tax payable	39,398	62,306
Bank borrowings	40,639	10,904
Lease liabilities	1,217	1,052
Deferred tax liabilities	817	3,240
Total consolidated liabilities of the Group	3,446,607	3,391,201

For the purposes of monitoring segment performances and allocating resources among segments:

- all assets are allocated to operating segments other than certain property, plant and equipment, certain right-of-use assets, investment properties, interest in an associate, interest in a joint venture, financial assets at FVTPL, deferred tax assets, certain other receivables, prepayments and deposits, tax recoverable, pledged bank deposits and bank balances and cash.
- all liabilities are allocated to operating segments other than certain other payables, tax payable, bank borrowings, certain lease liabilities and deferred tax liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. OPERATING SEGMENTS (Continued)

Other segment information

For the year ended 31 December 2025

	Fitting-out works in Hong Kong HK\$'000	Fitting-out works in Macau HK\$'000	Fitting-out works in Singapore HK\$'000	Fitting-out works in the PRC HK\$'000	Alteration and addition and construction works in Hong Kong HK\$'000	Manufacturing, sourcing and distribution of interior decorative materials HK\$'000	Segment total HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:									
Additions of property, plant and equipment	42,703	-	-	2,204	-	231,391	276,298	1,113	277,411
Additions of right-of-use assets	700	-	330	-	-	518	1,548	1,240	2,788
Depreciation of property, plant and equipment	4,725	316	57	6,788	-	6,706	18,592	2,393	20,985
Depreciation of right-of-use assets	626	757	844	-	-	10,649	12,876	1,068	13,944
Net impairment loss on trade and other receivables and bills receivable recognised (reversed) in profit or loss	21,968	(78)	(173)	35,967	(20)	-	57,664	-	57,664
Net impairment loss on contract assets recognised (reversed) in profit or loss	6,835	(61)	(239)	(6,441)	20	-	114	-	114
(Gain) loss on disposal of property, plant and equipment	-	-	-	(9)	-	2,051	2,042	-	2,042
Write-down of inventories to net realisable value	-	-	-	-	-	45	45	-	45

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. OPERATING SEGMENTS *(Continued)*

Other segment information *(Continued)*

For the year ended 31 December 2024

	Fitting-out works in Hong Kong <i>HK\$'000</i>	Fitting-out works in Macau <i>HK\$'000</i>	Fitting-out works in Singapore <i>HK\$'000</i>	Fitting-out works in the PRC <i>HK\$'000</i>	Alteration and addition and construction works in Hong Kong <i>HK\$'000</i>	Manufacturing, sourcing and distribution of interior decorative materials <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:									
Additions of property, plant and equipment	268	1,353	25	1,288	-	27,137	30,071	35	30,106
Additions of right-of-use assets	-	1,514	1,589	-	-	54,758	57,861	994	58,855
Depreciation of property, plant and equipment	4,114	265	52	5,459	-	4,645	14,535	2,464	16,999
Depreciation of right-of-use assets	637	505	2,373	-	-	10,520	14,035	906	14,941
Net impairment loss on trade and other receivables and bills receivable recognised (reversed) in profit or loss	141	(97)	-	39,195	17,981	-	57,220	-	57,220
Net impairment loss on contract assets (reversed) recognised in profit or loss	(8,854)	-	(258)	4,903	-	-	(4,209)	-	(4,209)
Loss on disposal of property, plant and equipment	-	67	-	824	-	271	1,162	-	1,162
Reversal of write-down of inventories to net realisable value	-	-	-	-	-	(10,174)	(10,174)	-	(10,174)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. OPERATING SEGMENTS *(Continued)***Geographical information**

The Group's operations are mainly located in Hong Kong, Macau, Singapore and the PRC.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets (excluding financial instruments and deferred tax assets) is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong	1,922,341	2,019,758	416,478	225,005
Macau	519,967	261,684	1,053	2,136
Singapore	274,799	1,356,543	436	960
The PRC	2,418,681	2,358,792	530,102	312,099
	5,135,788	5,996,777	948,069	540,200

All non-current assets (excluding financial instruments and deferred tax assets) of the Group are located in the respective group entities' country of domicile.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A <i>(note a)</i>	584,448	N/A <i>(Note d)</i>
Customer B <i>(note b)</i>	551,694	846,964
Customer C <i>(note c)</i>	N/A <i>(Note d)</i>	1,426,111

Notes:

- (a) The revenue was from fitting-out works in Hong Kong.
- (b) The revenue was from fitting-out works in Hong Kong and the PRC.
- (c) The revenue was from fitting-out works in Macau and Singapore.
- (d) The corresponding revenue did not contribute over 10% of the total revenue of the Group for the relevant year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. OTHER INCOME, OTHER GAINS AND LOSSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other income		
Interest income	45,904	50,529
Service fee and entrustment fee income	9,030	3,896
Rental income	4,068	9,046
Government grants (<i>note</i>)	2,618	–
Others	6,697	1,883
	68,317	65,354
Other gains and losses		
Loss on disposal of property, plant and equipment	(2,042)	(1,162)
Net loss from fair value changes of financial assets at FVTPL	(2,445)	(57,366)
Loss from fair value changes of investment properties	(11,134)	(11,551)
Net foreign exchange (losses) gains	(14,684)	7,003
	(30,305)	(63,076)
	38,012	2,278

Note: The amount represented subsidies received by the Group from local government authorities in the PRC as incentives to support the Group's business operations. As the grants carried no specific conditions, the Group recognised them upon approval by the relevant PRC government authorities during the year ended 31 December 2025.

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Impairment losses recognised (reversed) on:		
Trade and other receivables and bills receivable	57,664	57,220
Contract assets	114	(4,209)
	57,778	53,011

Details of impairment assessment were set out in note 42.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank borrowings	926	1,381
Interest on lease liabilities	1,417	873
	2,343	2,254
Less: Interest on lease liabilities included in contract costs	(56)	(91)
	2,287	2,163

10. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
Hong Kong Profits Tax	29,133	6,120
Macau Complementary Tax	12,898	18,526
Singapore Corporate Income Tax	143	39,948
PRC Enterprise Income Tax	5,647	7,435
	47,821	72,029
(Over) under provision in prior years		
Hong Kong Profits Tax	91	(2,066)
Macau Complementary Tax	(486)	(923)
Singapore Corporate Income Tax	(1,551)	(626)
PRC Enterprise Income Tax	845	8,510
	(1,101)	4,895
Deferred tax		
Current year (<i>note 36</i>)	(2,633)	(8,447)
	44,087	68,477

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10. INCOME TAX EXPENSE *(Continued)*

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

On 6 June 2025, the Inland Revenue (Amendment) (Minimum Tax For Multinational Enterprise Groups) Ordinance 2025 was enacted to implement the Pillar Two of the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting – the Global Anti-Base Erosion Rules ("Pillar Two model rules") in Hong Kong in which the Group operates. The new tax law is effective from 1 January 2025.

The new tax laws introduce a minimum top-up tax and are applicable to the Group. The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. The Group is within the scope of the Pillar Two model rules. Based on the assessment, the Group should benefit from the transitional safe harbour for all the jurisdictions in which the Group operates. Therefore, the Group does not expect potential exposure to Pillar Two "top-up" taxes. The Group continues to monitor developments relating to the Pillar Two model rules including the new tax laws.

Following the exception required by HKAS 12, the Group has not recognised deferred tax assets and liabilities, if any, related to Pillar Two income taxes.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit before tax	310,172	389,274
Tax at the weighted average tax rate <i>(note a)</i>	46,807	59,947
Tax effect of expenses not deductible for tax purpose	5,686	20,764
Tax effect of income not taxable for tax purpose	(5,265)	(12,268)
Tax effect of share of result of an associate	(33)	(10)
Tax effect of share of result of a joint venture	(863)	–
(Over) under provision in prior years	(1,101)	4,895
Tax effect of tax losses not recognised	1,300	13,012
Utilisation of tax losses previously not recognised	(1,902)	(3,375)
Income tax on concession rate	(694)	4,005
Additional tax allowance for research and development expenses <i>(note b)</i>	(2,301)	(17,673)
Others	2,453	(820)
Income tax expense for the year	44,087	68,477

Notes:

- (a) The weighted average applicable tax rate for different jurisdictions for the year ended 31 December 2025 is 15.1% (2024: 15.4%). The weighted average applicable tax rate represents the weighted average tax rate in different jurisdictions in which the Group operates and is calculated on the basis of the profit or loss before tax arising in these jurisdictions and the applicable statutory tax rates.
- (b) A PRC subsidiary (2024: two subsidiaries) was granted a further 100% tax deduction on qualifying research and development expenses for both years.

Notes to the Consolidated Financial Statements

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11. PROFIT FOR THE YEAR

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration		
Audit service fee	1,040	1,400
Non-audit service fee	403	574
	1,443	1,974
Depreciation of property, plant and equipment	20,985	16,999
Depreciation of right-of-use assets	13,944	14,941
	34,929	31,940
Cost of inventories recognised as expenses in respect of		
External revenue	76,900	1,804
Inter-segment revenue	128,971	272,487
	205,871	274,291
Write-down (reversal of write-down) of inventories to net realisable value (included in cost of sales)	45	(10,174)
Contract costs recognised as expenses		
Fitting-out works (<i>note</i>)	4,367,797	5,191,676
Alteration and addition and construction works	6,349	13,267
	4,374,146	5,204,943
Research and development expenses (included in other expenses)	91,547	95,872
Staff costs		
Gross staff costs (including directors' emoluments)	524,821	512,461
Less: Staff costs included in contract costs, inventories and research and development expenses	(359,244)	(344,082)
	165,577	168,379
Gross rental income from investment properties	(4,068)	(9,046)
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	494	1,146
	(3,574)	(7,900)

Note: Contract costs of fitting-out works recognised as expenses included cost of inventories recognised as expenses of HK\$128,971,000 (2024: HK\$272,487,000).

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12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, was as follows:

Name of directors	2025				Total HK\$'000
	Fees HK\$'000	Salaries and other benefits HK\$'000	Discretionary incentive payments HK\$'000	Retirement benefit scheme contributions HK\$'000	
Executive directors:					
Mr. Ng Tak Kwan	–	2,397	12,000	–	14,397
Mr. Ng Chi Hang	–	1,592	500	17	2,109
Mr. Ding Jingyong	–	819	573	52	1,444
Mr. Guan Yihe	–	1,320	2,000	18	3,338
Mr. Xie Jianyu	–	1,821	2,000	18	3,839
Non-executive directors:					
Mr. Liu	600	–	–	6	606
Independent non-executive directors:					
Ms. Tam Yin Ming Cecilia (<i>note a</i>)	360	–	–	–	360
Mr. Huang Pu	360	–	–	–	360
Mr. Li Zheng	360	–	–	–	360
	1,680	7,949	17,073	111	26,813

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Name of directors	Fees <i>HK\$'000</i>	2024			Total <i>HK\$'000</i>
		Salaries and other benefits <i>HK\$'000</i>	Discretionary incentive payments <i>HK\$'000</i>	Retirement benefit scheme contributions <i>HK\$'000</i>	
Executive directors:					
Mr. Ng Tak Kwan	–	2,400	11,000	–	13,400
Mr. Ng Chi Hang	–	1,587	1,500	18	3,105
Mr. Ding Jingyong	–	836	600	48	1,484
Mr. Guan Yihe	–	1,292	1,500	18	2,810
Mr. Xie Jianyu	–	1,791	2,000	18	3,809
Non-executive directors:					
Mr. Liu	600	–	–	–	600
Ms. Yim Ka Man (<i>note b</i>)	79	–	13	–	92
Independent non-executive directors:					
Mr. Tam Anthony Chun Hung (<i>note c</i>)	90	–	–	–	90
Ms. Yim Ka Man (<i>note b</i>)	28	–	–	–	28
Ms. Tam Yin Ming Cecilia (<i>note a</i>)	163	–	–	–	163
Mr. Huang Pu	360	–	–	–	360
Mr. Li Zheng	360	–	–	–	360
	1,680	7,906	16,613	102	26,301

Notes:

- (a) Appointed on 19 July 2024
- (b) Appointed as an independent non-executive director of the Company on 1 April 2024, subsequently re-designated as a non-executive director of the Company on 29 April 2024, and resigned on 19 July 2024.
- (c) Resigned on 1 April 2024

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The non-executive directors' emoluments shown above were for the services as directors of the Company and the independent non-executive directors' emoluments shown above were for the services as directors of the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

There was no arrangement under which a director waived or agreed to waive any of their emoluments for both years.

The Group has been providing accommodation, which is leased from third party, to an executive director for use by his and his family members at no charge. The estimated money value of the benefit in kind is approximately HK\$300,000 (2024: HK\$270,000).

The discretionary incentive payments were discretionary and were determined with reference to the performance of individuals and the Group.

Mr. Ng Tak Kwan is also the chief executive officer of the Company (the "Chief Executive") and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included four directors (2024: four directors), details of whose emoluments were disclosed in note 12 above. Details of the remuneration for the year of the remaining one (2024: one) highest paid employee who was neither a director of the Company nor Chief Executive was as follows:

	2025 <i>HK\$'000</i>	2024 HK\$'000
Salaries and other benefits	1,361	1,600
Discretionary incentive payments	279	–
	1,640	1,600

The number of the highest paid employees who were not the directors of the Company whose remuneration fell within the following bands was as follows:

	2025	2024
HK\$1,500,001 to HK\$1,600,000	–	1
HK\$1,600,001 to HK\$1,700,000	1	–

No emolument was paid to the directors of the Company and the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

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For the year ended 31 December 2025

14. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2024 final dividend – HK6 cents per share (2024: 2023 final dividend – nil)	431,642	–

Subsequent to the end of the reporting period, a final dividend of HK5 cents per ordinary share for the year ended 31 December 2025 (2024: a final dividend of HK6 cents per ordinary share and a special dividend of HK14 cents per ordinary share for the year ended 31 December 2024), in an aggregate amount of HK\$107,911,000 (2024: HK\$431,642,000), has been proposed by the board of directors of the Company and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting of the Company.

15. EARNINGS PER SHARE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	267,276	320,797

	2025 <i>'000</i>	2024 <i>'000</i>
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	2,158,210	2,158,210

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

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For the year ended 31 December 2025

16. PROPERTY, PLANT AND EQUIPMENT

	Owned properties HK\$'000	Construction in progress HK\$'000	Leasehold improvements HK\$'000	Plant and machinery HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
COST							
At 1 January 2024	216,610	–	63,882	30,979	20,706	4,733	336,910
Exchange adjustments	(1,221)	(380)	(1,318)	(559)	(255)	(50)	(3,783)
Additions	–	24,464	2,199	1,773	1,410	260	30,106
Disposals	–	–	(1,675)	(1,444)	(163)	–	(3,282)
At 31 December 2024	215,389	24,084	63,088	30,749	21,698	4,943	359,951
Exchange adjustments	7,152	260	1,531	881	327	57	10,208
Additions	40,505	207,106	542	24,173	4,288	797	277,411
Transfer from investment properties (note 18)	85,973	–	–	–	–	–	85,973
Reclassification	231,450	(231,450)	–	–	–	–	–
Disposals	–	–	–	(7,836)	(90)	(408)	(8,334)
At 31 December 2025	580,469	–	65,161	47,967	26,223	5,389	725,209
DEPRECIATION							
At 1 January 2024	33,471	–	31,832	21,393	15,974	3,000	105,670
Exchange adjustments	(138)	–	(712)	(349)	(203)	(27)	(1,429)
Provided for the year	7,030	–	6,096	1,189	2,242	442	16,999
Eliminated on disposals	–	–	(836)	(1,176)	(108)	–	(2,120)
At 31 December 2024	40,363	–	36,380	21,057	17,905	3,415	119,120
Exchange adjustments	216	–	953	359	258	34	1,820
Provided for the year	9,197	–	6,857	2,166	2,284	481	20,985
Eliminated on disposals	–	–	–	(5,267)	(81)	(239)	(5,587)
At 31 December 2025	49,776	–	44,190	18,315	20,366	3,691	136,338
CARRYING VALUES							
At 31 December 2025	530,693	–	20,971	29,652	5,857	1,698	588,871
At 31 December 2024	175,026	24,084	26,708	9,692	3,793	1,528	240,831

Depreciation is provided to write off the cost of items of property, plant and equipment, except for construction in progress, over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method, at the following rates per annum:

Owned properties	Over the remaining term of lease or useful life, if shorter
Leasehold improvements	10%–20% or over the remaining term of the related lease, if shorter
Plant and machinery	9%–19%
Furniture, fixtures and equipment	18%–33 $\frac{1}{3}$ % or over the remaining term of the related lease, if shorter
Motor vehicles	18%–33 $\frac{1}{3}$ %

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For the year ended 31 December 2025

17. RIGHT-OF-USE ASSETS

	Land use right <i>HK\$'000</i>	Leased properties <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
COST				
At 1 January 2024	–	59,641	3,282	62,923
Exchange adjustments	(494)	(1,704)	(2)	(2,200)
Additions	25,831	2,429	–	28,260
Lease modifications	–	30,595	–	30,595
Disposals	–	–	(1,740)	(1,740)
At 31 December 2024	25,337	90,961	1,540	117,838
Exchange adjustments	640	2,201	3	2,844
Additions	82	700	–	782
Lease modifications	–	2,006	–	2,006
Disposals	–	(7,864)	–	(7,864)
At 31 December 2025	26,059	88,004	1,543	115,606
DEPRECIATION				
At 1 January 2024	–	47,947	2,316	50,263
Exchange adjustments	(7)	(1,188)	(1)	(1,196)
Provided for the year	444	14,239	258	14,941
Eliminated on disposals	–	–	(1,740)	(1,740)
At 31 December 2024	437	60,998	833	62,268
Exchange adjustments	18	1,624	1	1,643
Provided for the year	512	13,173	259	13,944
Eliminated on disposals	–	(7,864)	–	(7,864)
At 31 December 2025	967	67,931	1,093	69,991
CARRYING VALUES				
At 31 December 2025	25,092	20,073	450	45,615
At 31 December 2024	24,900	29,963	707	55,570
			2025	2024
			<i>HK\$'000</i>	<i>HK\$'000</i>
Expense relating to short-term leases				23,389
Total cash outflow for leases				38,837

The Group's land use right was acquired and fully prepaid during the year ended 31 December 2024. For both years, the Group leased factory, warehouse, office premises, office equipment and staff quarters for its operations. Lease contracts were entered into for fixed term of 2 to 6 years. Lease terms were negotiated on an individual basis and contained different terms and conditions. In determining the lease terms and assessing the length of the non-cancellable period, the Group applied the definition of a contract and determined the period for which the contract was enforceable.

The Group regularly entered into short-term leases for site offices, warehouses, staff quarters, carparks and office equipment with the corresponding short-term lease expense disclosed above.

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18. INVESTMENT PROPERTIES

	<i>HK\$'000</i>
FAIR VALUE	
At 1 January 2024	164,659
Exchange adjustments	(3,290)
Unrealised loss on fair value recognised in profit or loss	(11,551)
At 31 December 2024	149,818
Exchange adjustments	1,127
Transfer to property, plant and equipment (<i>note 16</i>)	(85,973)
Unrealised loss on fair value recognised in profit or loss	(11,134)
At 31 December 2025	53,838

During the year ended 31 December 2025, the Group changed the use of certain units within its self-owned properties from investment properties to owner-occupied properties. These units were located in the same building, which was one of the Group's two commercial properties in the PRC. Accordingly, the portion of the properties concerned, with fair values of HK\$85,973,000 as at the date of transfer, which were determined by the directors of the Company, was reclassified from investment properties to property, plant and equipment.

As at 31 December 2025 and 31 December 2024, the Group's properties interests (i) situated in Hong Kong which is one piece or parcel of ground held for capital appreciation; and (ii) located in the PRC which are two commercial properties held under operating leases to earn rental income. They are measured using the fair value model and are classified and accounted for as investment properties. A loss on fair value change of HK\$11,134,000 (2024: HK\$11,551,000) is recognised for the year ended 31 December 2025.

The fair values of the Group's investment properties as at 31 December 2025 and 31 December 2024 have been arrived at on the basis of a valuation carried out on the respective dates by Asset Appraisal Limited, an independent qualified professional valuer not connected with the Group.

The valuation of the piece or parcel of ground situated in Hong Kong has been arrived at using direct comparison method by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

The fair values of the other two commercial properties located in the PRC were determined based on the income capitalisation approach, where the market rentals of all lettable units of the properties are assessed and discounted at the reversionary yield expected by investors for this type of properties. The market rentals are assessed by reference to the rentals achieved in the lettable units of the properties as well as other lettings of similar properties in the neighbourhood. The discount rate is determined by reference to the yields derived from analysing the sales transactions of similar commercial properties in the relevant locations and adjusted to take into account the market expectation from property investors to reflect factors specific to the Group's investment properties.

In estimating the fair values of the properties, the highest and best use of the properties is their current use.

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For the year ended 31 December 2025

18. INVESTMENT PROPERTIES (Continued)

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy within which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

Investment properties held by the Group in the consolidated statement of financial position	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Investment property in Hong Kong with a carrying amount of HK\$2,410,000 (2024: HK\$2,410,000)	Level 3	Direct comparison method The key input is	(1) Adjusted unit sale rate	(1) Adjusted unit sale rate, taking into account the size, location, and characteristic, between the comparable and the property, ranging from HK\$230 to HK\$287 (2024: HK\$411 to HK\$808) per square feet on gross floor area basis for the property. (1) An increase in the adjusted unit sale rate used would result in an increase in the fair value of the investment property and vice versa.
Investment property in the PRC with a carrying amount of HK\$45,948,000 (2024: HK\$141,469,000)	Level 3	Income capitalisation method The key input is	(1) Reversionary yield (2) Yearly market unit rent	(1) Reversionary yield of 5.5% (2024: 6.0%) (2) Yearly market unit rent per gross floor area (square metre) of Renminbi ("RMB") 712 (2024: RMB959) (1) An increase in the reversionary yield used would result in a decrease in the fair value of the investment property and vice versa. (2) An increase in the yearly market unit rent used would result in an increase in the fair value of the investment property and vice versa.
Investment property in the PRC with a carrying amount of HK\$5,480,000 (2024: HK\$5,939,000)	Level 3	Income capitalisation method The key input is	(1) Reversionary yield (2) Yearly market unit rent	(1) Reversionary yield of 5.5% (2024: 5.5%) (2) Yearly market unit rent per gross floor area (square metre) of RMB1,717 (2024: RMB1,907) (1) An increase in the reversionary yield used would result in a decrease in the fair value of the investment property and vice versa. (2) An increase in the yearly market unit rent used would result in an increase in the fair value of the investment property and vice versa.

Notes to the Consolidated Financial Statements

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18. INVESTMENT PROPERTIES *(Continued)*

The fair values of all investment properties as at 31 December 2025 and 31 December 2024 were measured using valuation techniques with significant unobservable inputs and hence were classified as Level 3 of the fair value hierarchy. There were no transfers into or out of Level 3 during the year.

19. GOODWILL

	<i>HK\$'000</i>
Carrying amount as at 1 January 2024, 31 December 2024 and 31 December 2025	1,510

Amount represented the excess of consideration paid over the fair value of net assets taken over on the acquisition of subsidiaries, Sundart Timber Products Company Limited ("Sundart Timber") and Sundart Living Limited ("Sundart Living"). For the purpose of impairment test, the carrying amount of goodwill had been allocated to the cash-generating unit of Sundart Timber and Sundart Living under the fitting-out works in Hong Kong segment, and the manufacturing, sourcing and distribution of interior decorative materials segment, amounting to HK\$746,000 and HK\$764,000, respectively. The recoverable amounts of cash-generating units of Sundart Timber and Sundart Living have been determined based on a value in use calculation. No impairment is recognised.

20. INTEREST IN AN ASSOCIATE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Unlisted shares, at cost	–	–
Deemed contribution to an associate <i>(note)</i>	56,517	56,517
Share of post-acquisition profits and other comprehensive expenses, net of dividends received	37,724	35,954
	94,241	92,471

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

As at 31 December 2025 and 31 December 2024, the Group had interest in the following associate:

Name of entity	Form of business structure	Country of incorporation	Principal place of operation	Class of share held	Proportion of issued capital and voting rights held by the Group		Principal activities
					2025 %	2024 %	
EAGLE VISION DEVELOPMENT LIMITED ("Eagle Vision")	Incorporated	BVI	Hong Kong	Ordinary	28.57	28.57	Investment holding

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20. INTEREST IN AN ASSOCIATE *(Continued)*

The summarised consolidated financial information of Eagle Vision prepared in accordance with HKFRS Accounting Standards was set out below:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current assets	403,095	380,436
Non-current assets	369,797	371,910
Current liabilities	(338,467)	(346,560)
Non-current liabilities	(46,316)	(34,027)
Net assets	388,109	371,759
Net assets attributable to:		
Shareholders	132,042	125,846
Non-controlling interests	256,067	245,913
	388,109	371,759
Revenue	423,900	366,498
Profit (loss) for the year	9,172	(1,261)
Attributable to:		
Shareholders	5,133	161
Non-controlling interests	4,039	(1,422)
	9,172	(1,261)
Other comprehensive income (expense) for the year	11,150	(3,214)
Attributable to:		
Shareholders	5,485	(1,657)
Non-controlling interests	5,665	(1,557)
	11,150	(3,214)
Total comprehensive income (expense) for the year	20,322	(4,475)
Attributable to:		
Shareholders	10,618	(1,496)
Non-controlling interests	9,704	(2,979)
	20,322	(4,475)

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20. INTEREST IN AN ASSOCIATE *(Continued)*

Reconciliation of the above summarised consolidated financial information of Eagle Vision to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2025 HK\$'000	2024 HK\$'000
Net assets attributable to shareholders	132,042	125,846
Proportion of the Group's ownership interest	28.57%	28.57%
Deemed contribution to an associate	37,724	35,954
	56,517	56,517
Carrying amount of the Group's interest	94,241	92,471

21. INTEREST IN A JOINT VENTURE

	2025 HK\$'000	2024 HK\$'000
Unlisted shares, at cost	–	–
Deemed contribution to a joint venture <i>(note)</i>	142,913	–
Share of post-acquisition profit and other comprehensive income	9,522	–
	152,435	–

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

As at 31 December 2025 and 31 December 2024, the Group had interest in the following joint venture:

Name of entity	Form of business structure	Country of incorporation	Principal place of operation	Class of share held	Proportion of issued capital and voting rights held by the Group		Principal activities
					2025 %	2024 %	
Quarella Global Limited ("Quarella Global")	Incorporated	BVI	Hong Kong	Ordinary	50	N/A	Investment holding

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

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

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21. INTEREST IN A JOINT VENTURE *(Continued)*

The summarised consolidated financial information of Quarella Global prepared in accordance with HKFRS Accounting standards was set out below:

	2025 HK\$'000
Current assets	341,689
Non-current assets	49,043
Current liabilities	(371,631)
Non-current liabilities	(56)
Net assets	19,045
The above amounts of assets and liabilities include the following:	
Cash and cash equivalents	12,862
Current financial liabilities (excluding trade and other payables and provisions)	286,015
Non-current financial liabilities (excluding trade and other payables and provisions)	56
Revenue	159,031
Profit for the year	10,464
Other comprehensive income for the year	8,580
Total comprehensive income for the year	19,044
The above profit for the year includes the following:	
Depreciation and amortisation	2,734
Interest income	(63)
Interest expense	45

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21. INTEREST IN A JOINT VENTURE *(Continued)*

Reconciliation of the above summarised consolidated financial information of Quarella Global to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2025 HK\$'000
Net assets attributable to shareholders Proportion of the Group's ownership interest	19,045 50%
Deemed contribution to a joint venture	9,522 142,913
Carrying amount of the Group's interest	152,435

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK\$'000	2024 <i>HK\$'000</i>
Listed equity securities	14,170	17,048
Financial products	6,893	6,487
	21,063	23,535

During the current year, net loss from fair value changes of financial assets at FVTPL of HK\$2,445,000 (2024: HK\$57,366,000) was recognised in profit or loss.

23. INVENTORIES

	2025 HK\$'000	2024 <i>HK\$'000</i>
Raw materials	8,353	6,086
Work-in-progress	15,183	24,874
	23,536	30,960

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24. TRADE AND OTHER RECEIVABLES AND BILLS RECEIVABLE

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

	2025 HK\$'000	2024 HK\$'000
Trade receivables (gross carrying amount)		
Fitting-out works	1,259,675	1,282,110
Alteration and addition and construction works	–	3,035
Manufacturing, sourcing and distribution of interior decorative materials	11,055	2,318
	1,270,730	1,287,463
Less: Allowance for credit losses	(148,267)	(84,264)
Trade receivables (net carrying amount)	1,122,463	1,203,199
Unbilled receivables (gross carrying amount) <i>(note)</i>	1,247,876	1,065,388
Less: Allowance for credit losses	(106,400)	(121,814)
Unbilled receivables (net carrying amount)	1,141,476	943,574
Other receivables (gross carrying amount)	137,685	139,947
Less: Allowance for credit losses	(29,834)	(29,022)
Other receivables (net carrying amount)	107,851	110,925
Bills receivable (gross carrying amount)	47,304	19,216
Less: Allowance for credit losses	(808)	(130)
Bills receivable (net carrying amount)	46,496	19,086
Prepayments and deposits	384,778	480,705
	2,803,064	2,757,489
Analysed for reporting purposes as:		
Current assets	2,791,505	2,757,489
Non-current assets	11,559	–
	2,803,064	2,757,489

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

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

Trade receivables

The Group allows a credit period of 14 to 90 days to its trade customers. The following was an ageing analysis of trade receivables, net of allowance for credit losses, presented based on invoice date at the end of each reporting period:

	2025 HK\$'000	2024 <i>HK\$'000</i>
1–30 days	531,642	459,021
31–60 days	105,249	134,937
61–90 days	72,469	40,181
Over 90 days	413,103	569,060
	1,122,463	1,203,199

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customers. Recoverability of the existing customers is reviewed by the Group regularly.

As at 31 December 2025, included in the Group's trade receivable balances were customers with an aggregate carrying amount of HK\$553,679,000 (2024: HK\$665,427,000) which were past due as at the reporting date. Out of the past due balances, HK\$382,144,000 (2024: HK\$533,698,000) has been past due more than 90 days and was not considered as in default. The Group rebutted the presumption of default under ECL model for trade receivables over 90 days past due based on no significant change in credit quality after understood these customers' background as well as the good payment records of and continuous business relationship with those customers. Further, such long outstanding balances were primarily due to overdue payment was a common practice in construction industry and prolonged internal procedures of the relevant customers. These customers were assessed individually and/or collectively with appropriate groupings for the credit risk based on their historical default rate, probability of default and exposure of default and were adjusted for forward-looking information that was available without undue cost or effort. The Group did not hold any collateral over these balances.

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24. TRADE AND OTHER RECEIVABLES AND BILLS RECEIVABLE *(Continued)***Bills receivable**

As at 31 December 2025, the carrying amount of bills receivable amounting to HK\$46,496,000 (2024: HK\$19,086,000) were held by the Group for settlement. All bills receivable held by the Group were with a maturity period of less than one year.

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

	2025 HK\$'000	2024 <i>HK\$'000</i>
1-30 days	21,037 ^(Note)	16,566
31-60 days	850	1,106
61-90 days	–	1,344
Over 90 days	24,609	70
	46,496	19,086

Note: As at 31 December 2025, the relevant bills receivable amounting to HK\$2,285,000 were issued by fellow subsidiaries.

Details of impairment assessment of trade and other receivables and bills receivable were set out in note 42.

25. AMOUNT DUE FROM A RELATED COMPANY

The amount due from a related company, in which Mr. Liu and his spouse have beneficial interest, represented trade receivables.

The Group allows a credit period of 30 days to its trade receivables due from a related company. As at 31 December 2024, the trade receivables due from a related company were aged over 90 days based on invoice date. The Group did not hold any collateral over this balance.

Details of impairment assessment of amount due from a related company were set out in note 42.

26. AMOUNTS DUE FROM FELLOW SUBSIDIARIES

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

	2025 HK\$'000	2024 <i>HK\$'000</i>
1-30 days	1,004	545
Over 90 days	1,088	4,080
	2,092	4,625

The Group did not hold any collateral over these balances.

Details of impairment assessment of amounts due from fellow subsidiaries were set out in note 42.

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27. CONTRACT ASSETS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contract assets (gross carrying amount)		
Fitting-out works	1,117,536	1,003,530
Alteration and addition and construction works	30,479	39,841
Manufacturing, sourcing and distribution of interior decorative materials	206	433
	1,148,221	1,043,804
Less: Allowance for credit losses	(33,056)	(32,355)
Net carrying amount shown under current assets	1,115,165	1,011,449

As at 31 December 2025, contract assets included nil and HK\$131,000 (2024: HK\$355,000 and HK\$584,000) from a related company and fellow subsidiaries, respectively.

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

The Group applies the simplified approach to provide the ECL prescribed by HKFRS 9. An impairment loss of HK\$114,000 was recognised (2024: HK\$4,209,000 was reversed) during the year. Details of impairment assessment were set out in note 42.

28. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

The pledged bank deposits carried interest at market rates ranging from 0.05% to 3.50% per annum (2024: 0.10% per annum) as at 31 December 2025.

As at 31 December 2025, the bank balances included fixed deposits of HK\$1,037,003,000 (2024: HK\$1,603,575,000) which carried fixed interest rates ranging from 0.64% to 4.08% per annum (2024: 2.66% to 5.24% per annum). The remaining bank balances carried interest at market rates ranging from 0.00002% to 2.5% per annum (2024: 0.0001% to 2.6% per annum) as at 31 December 2025.

Pledged bank deposits represented deposits pledged to secure certain bills payable, certain performance bonds, an advance payment bond and a tender bond and were therefore classified as current assets.

Details of impairment assessment of pledged bank deposits and bank balances were set out in note 42.

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29. TRADE AND OTHER PAYABLES

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contract creditors and suppliers	1,839,400	1,741,848
Retentions payable	480,599	446,814
	2,319,999	2,188,662
Other tax payables	132,983	128,492
Other payables and accruals	152,325	137,438
	2,605,307	2,454,592

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
1–30 days	1,272,541	1,166,075
31–60 days	77,167	104,124
61–90 days	41,601	48,842
Over 90 days	448,091	422,807
	1,839,400	1,741,848

As at 31 December 2025, the Group's retentions payable of HK\$181,611,000 (2024: HK\$269,267,000) were expected to be paid after one year.

30. BILLS PAYABLE

As at 31 December 2025 and 31 December 2024, certain bills payable were secured by certain pledged bank deposits as set out in note 28 and were repayable as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
1–30 days	133,183	122,154
31–60 days	93,682	110,621
61–90 days	97,129	85,768
Over 90 days	204,418	294,388
	528,412	612,931

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For the year ended 31 December 2025

31. AMOUNT DUE TO A RELATED COMPANY

As at 31 December 2025, the amount due to a related company represented rental income received in advance.

32. AMOUNTS DUE TO FELLOW SUBSIDIARIES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Retentions payable	227	3
Other payables	315	–
	542	3

Retentions payable to fellow subsidiaries

As at 31 December 2025, retentions payable to fellow subsidiaries of HK\$3,000 (2024: HK\$3,000) were expected to be paid after one year.

Other payables to fellow subsidiaries

As at 31 December 2025, other payables to fellow subsidiaries represented rental income received in advance from fellow subsidiaries.

33. BANK BORROWINGS

	2025		2024	
	The ranges of effective interest rates <i>(per annum)</i>	Carrying amount <i>HK\$'000</i>	The ranges of effective interest rates <i>(per annum)</i>	Carrying amount <i>HK\$'000</i>
Secured variable-rate borrowing <i>(note)</i>	–	–	5.91%	105
Unsecured fixed-rate borrowings	2.85% to 2.90%	40,639	3.80%	10,799
		40,639		10,904

Note: As at 31 December 2024, the secured bank borrowing was secured by a commercial property of the Group (included in property, plant and equipment) with a carrying amount of HK\$82,556,000. The bank borrowing was fully repaid during the year ended 31 December 2025.

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34. LEASE LIABILITIES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Lease liabilities payable:		
Within one year	12,832	11,985
Within a period of more than one year but not exceeding two years	8,675	11,132
Within a period of more than two years but not exceeding five years	–	7,838
	21,507	30,955
Less: Amount due for settlement within 12 months shown under current liabilities	(12,832)	(11,985)
Amount due for settlement after 12 months shown under non-current liabilities	8,675	18,970

As at 31 December 2025, the incremental borrowing rates applied to lease liabilities ranging from 1.56% to 5.96% per annum (2024: 1.56% to 6.81% per annum).

35. CONTRACT LIABILITIES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Fitting-out works	183,512	171,426
Alteration and addition and construction works	–	3,415
Manufacturing, sourcing and distribution of interior decorative materials	26,343	41,429
Shown under current liabilities	209,855	216,270

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue recognised that was included in the contract liability balance at the beginning of the year	201,503	221,451

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36. DEFERRED TAX ASSETS/LIABILITIES

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 <i>HK\$'000</i>
Deferred tax assets	36,537	35,475
Deferred tax liabilities	(817)	(3,240)
	35,720	32,235

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation <i>HK\$'000</i>	ECL provision <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024	(5,186)	29,629	24,443
Exchange adjustments	81	(736)	(655)
Credit to profit or loss (<i>note 10</i>)	1,865	6,582	8,447
At 31 December 2024	(3,240)	35,475	32,235
Exchange adjustments	(46)	898	852
Credit to profit or loss (<i>note 10</i>)	2,469	164	2,633
At 31 December 2025	(817)	36,537	35,720

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries 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.

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For the year ended 31 December 2025

36. DEFERRED TAX ASSETS/LIABILITIES *(Continued)*

At the end of the reporting period, the Group has unused estimated tax losses of HK\$42,132,000 (2024: HK\$99,440,000) available for offset against future profits. No deferred tax asset has been recognised for the estimated tax losses as it is not probable that taxable profits will be available to utilise these tax losses. Included in unrecognised tax losses were HK\$7,280,000 (2024: HK\$66,108,000) with expiry dates as disclosed in the following table. The remaining losses of HK\$34,852,000 (2024: HK\$33,332,000) may be carried forward indefinitely.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
2025	–	963
2026	4,050	3,950
2027	101	–
2028	447	–
2029	–	61,195
2030	2,682	–
	7,280	66,108

37. SHARE CAPITAL

	Number of shares <i>'000</i>	Share capital <i>HK\$'000</i>
Issued and fully paid ordinary shares with no par value		
At 1 January 2024, 31 December 2024 and 31 December 2025	2,158,210	1,246,815

Notes to the Consolidated Financial Statements

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38. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Interests in subsidiaries	1,660,502	1,677,518
Property, plant and equipment	1,201	557
Right-of-use assets	6,903	3,381
	1,668,606	1,681,456
Current assets		
Prepayments and deposits	2,415	3,125
Tax recoverable	149	94
Bank balances and cash	86,286	205,632
	88,850	208,851
Current liabilities		
Other payables	22,676	32,189
Amounts due to subsidiaries	335,589	252,051
Lease liabilities	2,667	3,081
	360,932	287,321
Net current liabilities	(272,082)	(78,470)
Total assets less current liabilities	1,396,524	1,602,986
Capital and reserves		
Share capital	1,246,815	1,246,815
Reserves	145,608	355,781
	1,392,423	1,602,596
Non-current liability		
Lease liabilities	4,101	390
	1,396,524	1,602,986

Movements in the Company's reserves

	Share premium HK\$'000	Other reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
At 1 January 2024	19,700	33,600	284,937	338,237
Profit for the year	–	–	17,541	17,541
Unclaimed dividends write back	–	–	3	3
At 31 December 2024	19,700	33,600	302,481	355,781
Profit for the year	–	–	221,469	221,469
Dividend	–	–	(431,642)	(431,642)
At 31 December 2025	19,700	33,600	92,308	145,608

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39. OPERATING LEASING ARRANGEMENTS

The Group as lessor

Property rental income earned during the year ended 31 December 2025 was HK\$4,068,000 (2024: HK\$9,046,000). The investment properties with a carrying amount of HK\$51,428,000 (2024: HK\$147,408,000) as at 31 December 2025 were held for rental purposes. The properties held have committed lessees for one month.

At the end of the reporting period, the Group as lessor had contracted with lessees for the following undiscounted lease payment receivables:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within one year	260	829

40. CAPITAL COMMITMENTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of property, plant and equipment	27,575	163,057

41. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debt, which includes bank borrowings and lease liabilities disclosed in notes 33 and 34, respectively, net of cash and cash equivalents and pledged bank deposits and equity attributable to the owners of the Company, comprising issued share capital, reserves and accumulated profits.

The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through payment of dividends, issue of new shares as well as issue of new debts or redemption of existing debts.

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42. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Financial assets		
Financial assets at amortised cost	4,543,768	4,978,160
Financial assets at FVTPL	21,063	23,535
	4,564,831	5,001,695
Financial liabilities		
Financial liabilities at amortised cost	2,931,998	2,863,295

Financial risk management objectives and policies

The Group's financial instruments include financial assets at FVTPL, trade and other receivables and bills receivable, amount due from a related company, amounts due from fellow subsidiaries, pledged bank deposits, bank balances and cash, trade and other payables, bills payable, amounts due to fellow subsidiaries, bank borrowings and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, fair value interest rate risk, cash flow interest rate risk and equity price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Notes to the Consolidated Financial Statements

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk

(i) Currency risk

The group entities collect most of the revenue and incur most of the expenditures in their respective functional currencies. The directors of the Company consider that the Group's exposure to foreign currency exchange risk is insignificant as the majority of the Group's transactions are denominated in the functional currency of each individual group entity.

The Group currently does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's major monetary assets and liabilities that are denominated in currencies other than functional currency of its respective group entities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
HK\$ against Macau Pataca ("MOP")	162,039	89,896	14,812	13,499
United States dollars ("USD") against HK\$	300,878	58,030	–	29
USD against MOP	106,389	2,568	7,032	413
PHP against HK\$	654	–	–	–
Euro against HK\$ and MOP	1,344	1,694	–	–
RMB against HK\$ and MOP	1,125	1,231	45	45
Singapore dollars ("SGD") against HK\$ and MOP	447	29,338	–	–
HK\$ against RMB	104,333	133,124	–	–
HK\$ against SGD	13,999	232,401	2,441	3,640
<i>Intra-group balances</i>				
SGD against HK\$ and MOP	3,328	1,646	–	–
HK\$ against RMB	176,702	164,675	–	318

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(i) *Currency risk (Continued)*

Sensitivity analysis

As HK\$ is pegged to USD and the exchange rate of HK\$/MOP and USD/MOP is relatively stable, the Group does not expect any significant foreign currency exposure arising from the fluctuation of the HK\$/MOP, USD/HK\$ and USD/MOP exchange rates. As a result, the directors of the Company consider that the sensitivity of the Group's exposure towards the change in foreign exchange rates between HK\$/MOP, USD/HK\$ and USD/MOP is minimal.

The following table details the Group's sensitivity to a 5% increase and decrease in PHP against HK\$, Euro against HK\$ and MOP, RMB against HK\$ and MOP, SGD against HK\$ and MOP, HK\$ against RMB, and HK\$ against SGD. 5% represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis of the Group's exposure to foreign currency risk at the end of the reporting period includes only outstanding foreign currency denominated monetary items.

A positive number below indicates an increase in post-tax profit for the current year where a 5% strengthening of PHP against HK\$, Euro against HK\$ and MOP, RMB against HK\$ and MOP, SGD against HK\$ and MOP, HK\$ against RMB, or HK\$ against SGD. For a 5% weakening of PHP against HK\$, Euro against HK\$ and MOP, RMB against HK\$ and MOP, SGD against HK\$ and MOP, HK\$ against RMB, or HK\$ against SGD, there would be an equal and opposite impact on the post-tax profit for the year as set out below:

	Increase in post-tax profit	
	2025 HK\$'000	2024 HK\$'000
PHP against HK\$	27	–
Euro against HK\$ and MOP	58	74
RMB against HK\$ and MOP	46	51
SGD against HK\$ and MOP	166	1,298
HK\$ against RMB	11,423	11,978
HK\$ against SGD	480	9,494

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(ii) *Fair value interest rate risk*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group's fair value interest rate risk relates to fixed-rate of certain bank deposits (see note 28 for details), bank borrowings (see note 33 for details) and lease liabilities (see note 34 for details). The management of the Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Notes to the Consolidated Financial Statements

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42. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(iii) Cash flow interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's cash flow interest rate risk relates primarily to variable-rate pledged bank deposits, bank balances and bank borrowings (see note 28 for details of the pledged bank deposits and bank balances and note 33 for details of bank borrowings). The Group currently does not have an interest rate hedging policy. However, the management of the Group monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The Group's exposure to interest rates on financial liabilities is detailed in the liquidity risk management section of this note.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of each reporting period. For variable-rate pledged bank deposits, bank balances and bank borrowings, the analysis is prepared assuming the pledged bank deposits, bank balances and bank borrowings outstanding at the end of each reporting period were outstanding for the whole year. A 10 basis points increase or decrease in variable-rate pledged bank deposits and bank balances represents management's assessment of the reasonably possible change in interest rates. If interest rate increases/decreases by the aforesaid basis point, and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2025 would increase/decrease by HK\$710,000 (2024: HK\$918,000). A 50 basis points increase or decrease in variable-rate bank borrowings represents management's assessment of the reasonably possible change in interest rates. If interest rate increases/decreases by the aforesaid basis point, and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2025 would decrease/increase by nil (2024: HK\$1,000).

(iv) Equity price risk

The Group's equity price risk mainly concentrated on financial assets at FVTPL. In addition, the Group has appointed a special team to monitor the equity price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risk at the reporting date.

If the prices of the equity shares had been 30% higher/lower, the profit for the year ended 31 December 2025 would increase/decrease by HK\$4,251,000 (2024: HK\$5,114,000) as a result of the changes in fair value of financial assets at FVTPL.

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42. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment

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 is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Except for financial assets at FVTPL, the Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Trade receivables (including unbilled receivables), bills receivable and contract assets arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customers. Recoverability of the existing customers is reviewed by the Group regularly. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. In addition, the Group performs impairment assessment under ECL model on trade balances individually and/or collectively. Except for trade receivables, bills receivable and contract assets that are credit-impaired, which are assessed for impairment individually, the remaining trade receivables, bills receivable and contract assets are grouped based on shared credit risk characteristics by reference to the Group's internal credit ratings. Details of the quantitative disclosures are set out below in this note.

Other receivables

For other receivables, the management of the Group makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportable forward-looking information. Except for other receivables that are credit-impaired, which are assessed for impairment based on lifetime ECL, the remaining other receivables are assessed for impairment based on 12m ECL. Impairment loss of HK\$1,075,000 (2024: HK\$16,818,000) was recognised in profit or loss during the year.

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42. FINANCIAL INSTRUMENTS *(Continued)***Financial risk management objectives and policies** *(Continued)***Credit risk and impairment assessment** *(Continued)**Pledged bank deposits and bank balances*

The credit risks on pledged bank deposits and bank balances are limited because the counterparties are financial institutions with high credit ratings assigned by international credit-rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk. Trade receivables consist of a large number of customers.

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

Internal credit rating	Description	Trade receivables/ bills receivable/ contract assets	Other financial assets/other items
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through 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	Amount is written off	Amount is written off

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The table below details the credit risk exposures of the Group's financial assets and contract assets, which are subject to ECL assessment:

	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount 2025 HK\$'000	2024 HK\$'000
Trade receivables	24	(Note)	Lifetime ECL (not credit-impaired)	2,031,523	1,950,923
		Loss	Lifetime ECL (credit-impaired)	487,083	401,928
				2,518,606	2,352,851
Bills receivable	24	(Note)	Lifetime ECL (not credit-impaired)	47,304	19,216
Contract assets	27	(Note)	Lifetime ECL (not credit-impaired)	1,082,329	986,044
		Loss	Lifetime ECL (credit-impaired)	65,892	57,760
				1,148,221	1,043,804
Other receivables	24	Low risk	12m ECL (not credit-impaired)	106,329	110,304
		Loss	Lifetime ECL (credit-impaired)	31,356	29,643
				137,685	139,947
Amount due from a related company	25	Low risk	12m ECL (not credit-impaired)	–	297
Amounts due from fellow subsidiaries	26	Low risk	12m ECL (not credit-impaired)	2,092	4,625
Pledged bank deposits	28	Low risk	12m ECL (not credit-impaired)	138,272	55,524
Bank balances	28	Low risk	12m ECL (not credit-impaired)	1,984,229	2,640,634

Note:

For trade receivables, bills receivable and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for trade receivables, bills receivable and contract assets being credit-impaired, the Group determines the ECL on a collective basis, grouped by internal credit rating.

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade receivables, bills receivable and contract assets which are assessed on a collective basis within lifetime ECL (not credit-impaired). Trade receivables and contract assets which are credit-impaired with gross carrying amounts of HK\$487,083,000 and HK\$65,892,000, respectively (2024: HK\$401,928,000 and HK\$57,760,000, respectively) as at 31 December 2025 were assessed individually.

Gross carrying amount

Internal credit rating	2025				2024			
	Average loss rate	Trade receivables HK\$'000	Bills receivables HK\$'000	Contract assets HK\$'000	Average loss rate	Trade receivables HK\$'000	Bills receivables HK\$'000	Contract assets HK\$'000
Low risk	0.02%	801,921	21,072	789,420	0.01%	906,050	17,964	628,500
Watch list	0.58%	1,229,602	26,232	292,909	3.45%	1,044,873	1,252	357,544
		2,031,523	47,304	1,082,329		1,950,923	19,216	986,044

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 the management of the Group to ensure relevant information about specific debtors is updated. The bills receivable and contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the loss rates for trade receivables are a reasonable approximation of the loss rates for bills receivable and contract assets.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and bills receivable under the simplified approach.

	Trade receivables			Bills receivable
	Lifetime ECL (not credit-impaired) HK\$'000	Lifetime ECL (credit-impaired) HK\$'000	Total HK\$'000	Lifetime ECL (not credit-impaired) HK\$'000
At 1 January 2024	22,707	146,846	169,553	375
Transfer to credit-impaired	(1,295)	1,295	–	–
Impairment losses recognised (reversed)	20,202	20,441	40,643	(241)
Exchange adjustments	(762)	(3,356)	(4,118)	(4)
At 31 December 2024	40,852	165,226	206,078	130
Transfer to credit-impaired	(11,463)	11,463	–	–
Impairment losses recognised (reversed)	(23,412)	79,335	55,923	666
Write-offs	–	(12,860)	(12,860)	–
Exchange adjustments	650	4,876	5,526	12
At 31 December 2025	6,627	248,040	254,667	808

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42. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

The Group writes off a trade receivable or bills receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables and bills receivable that have been written off is subject to enforcement activities.

The following table shows reconciliation of loss allowances that has been recognised for contract assets.

	Lifetime ECL		Total HK\$'000
	(not credit- impaired) HK\$'000	(credit- impaired) HK\$'000	
At 1 January 2024	7,526	29,599	37,125
Transfer to credit-impaired	(185)	185	–
Impairment losses recognised (reversed)	414	(4,623)	(4,209)
Exchange adjustments	(144)	(417)	(561)
At 31 December 2024	7,611	24,744	32,355
Transfer to credit-impaired	(1,595)	1,595	–
Impairment losses (reversed) recognised	(4,226)	4,340	114
Exchange adjustments	112	475	587
At 31 December 2025	1,902	31,154	33,056

The changes in the loss allowance for trade receivables and contract assets are mainly due to the default in payment by certain debtors during the year. As at 31 December 2025, the gross carrying amounts of the credit-impaired aforesaid assets were HK\$487,083,000 and HK\$65,892,000, respectively (2024: HK\$401,928,000 and HK\$57,760,000, respectively) and were determined as credit-impaired at average loss rate of 50.92% and 47.28%, respectively (2024: 41.11% and 42.84%, respectively).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS *(Continued)***Financial risk management objectives and policies** *(Continued)***Credit risk and impairment assessment** *(Continued)*

The following table shows reconciliation of loss allowances that has been recognised for other receivables.

	12m ECL (not credit- impaired) <i>HK\$'000</i>	Lifetime ECL (credit- impaired) <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024	1,642	17,371	19,013
Impairment losses (reversed) recognised	(1,172)	17,990	16,818
Write-offs	–	(6,532)	(6,532)
Exchange adjustments	(17)	(260)	(277)
At 31 December 2024	453	28,569	29,022
Impairment losses recognised	424	651	1,075
Write-offs	(426)	–	(426)
Exchange adjustments	18	145	163
At 31 December 2025	469	29,365	29,834

The changes in the loss allowance for other receivables primarily resulted from a significant increase in credit risk for certain counterparties during the year. As at 31 December 2025, the gross carrying amount of the credit-impaired asset was HK\$31,356,000 (2024: HK\$29,643,000).

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

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 of the Group monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates.

The table included both interest and principal cash flows. To the extent that interest flows were floating rate, the undiscounted amount was derived from contracted interest rate curve at the end of each reporting period.

	Weighted average interest rate <i>(per annum)</i>	Less than 4 months or on demand <i>HK\$'000</i>	Between 4 to 6 months <i>HK\$'000</i>	Between 7 to 12 months <i>HK\$'000</i>	Between 1 to 5 years <i>HK\$'000</i>	Total undiscounted cash flows <i>HK\$'000</i>	Carrying amount <i>HK\$'000</i>
2025							
Non-derivative financial liabilities							
Trade and other payables	N/A	2,066,769	30,859	61,974	181,611	2,341,213	2,341,213
Bills payable	N/A	323,994	204,418	-	-	528,412	528,412
Amounts due to fellow subsidiaries	N/A	-	-	224	3	227	227
Bank borrowings	N/A	40,639	-	-	-	40,639	40,639
Lease liabilities	5.13%	3,624	3,454	6,551	8,860	22,489	21,507
		2,435,026	238,731	68,749	190,474	2,932,980	2,931,998
2024							
Non-derivative financial liabilities							
Trade and other payables	N/A	1,881,594	18,227	39,414	269,267	2,208,502	2,208,502
Bills payable	N/A	318,543	294,388	-	-	612,931	612,931
Amounts due to fellow subsidiaries	N/A	-	-	-	3	3	3
Bank borrowings	N/A	10,904	-	-	-	10,904	10,904
Lease liabilities	5.30%	3,375	3,496	6,458	19,874	33,203	30,955
		2,214,416	316,111	45,872	289,144	2,865,543	2,863,295

Notes to the Consolidated Financial Statements

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42. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)**Liquidity risk (Continued)**

Bank borrowings with a repayment on demand clause were included in the "Less than 4 months or on demand" time band in the above maturity analysis. As at 31 December 2025, the aggregate undiscounted principal amounts of the bank borrowings amounted to HK\$40,639,000 (2024: HK\$10,904,000). Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such outstanding bank borrowings as at 31 December 2025 and 31 December 2024 will be fully repaid by September 2026 and June 2025, respectively in accordance with the scheduled repayment dates set out in the banking facility letters, details of which are set out in the table below:

Maturity analysis – Bank borrowings with a repayment on demand clause based on scheduled repayments					
	Weighted average interest rate	Less than 7 months	Between 7-12 months	Total undiscounted cash outflows	Carrying amount
	<i>(per annum)</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 31 December 2025	2.88%	23,906	17,193	41,099	40,639
At 31 December 2024	3.82%	11,069	–	11,069	10,904

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Fair value measurements of financial instruments

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

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

In estimating the fair value of a financial asset, the Group uses market-observable data to the extent available. The management of the Group undertakes regularly review of the fair value measurements and reports significant movements to the directors of the Company for oversight.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS *(Continued)*

Fair value measurements of financial instruments *(Continued)*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	Fair value hierarchy
Financial assets at FVTPL			
Listed equity securities	14,170	17,048	Level 1
Financial products	6,893	6,487	Level 2
Total	21,063	23,535	

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

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

As at 31 December 2025 and 31 December 2024, the fair values of financial products are determined with reference to the fair values of the underlying assets and liabilities, which are primarily based on observable market inputs.

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

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

43. PERFORMANCE BONDS, ADVANCE PAYMENT BONDS AND TENDER BONDS

As at 31 December 2025, the Group has issued performance bonds, advance payment bonds and tender bonds in respect of certain supply and installation contracts through financial institutions amounting to HK\$1,043,669,000 (2024: HK\$1,015,591,000).

As at 31 December 2025 and 31 December 2024, certain performance bonds, an advance payment bond and a tender bond were secured by certain pledged bank deposits as set out in note 28. In addition, a performance bond and an advance payment bond were guaranteed by a fellow subsidiary. The guarantees were fully released during the year ended 31 December 2025. The Group did not pay any charges for the guarantee granted.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

44. RETIREMENT BENEFIT SCHEMES

The Group has arranged for all qualifying employees of the Company and its Hong Kong subsidiaries to join the MPF Scheme. The MPF Scheme is a defined contribution scheme managed by independent trustees. Under the MPF Scheme, both the Group and the employees make monthly contributions to the MPF Scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation, subject to a cap of HK\$1,500 per month and thereafter contributions are voluntary.

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. No forfeited contribution is available to reduce the contribution payable in the future years as at 31 December 2025 and 31 December 2024.

Eligible employees in Macau currently participate in a defined contribution pension scheme operated by the local government which is a fixed amount for each employee.

The subsidiary operated in Singapore makes contributions to the Central Provident Fund scheme ("CPF Scheme") in Singapore, a defined contribution pension scheme. The subsidiary is required to contribute certain specified percentage of payroll costs, subject to certain caps under the CPF Scheme.

The employees of the subsidiaries operated in the PRC are members of a state-managed retirement benefit scheme operated by the PRC government. These subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits.

The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

During the year, the Group has made contributions to retirement benefit schemes as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contributions paid and payable	28,210	24,310
Less: Included in contract costs, inventories and research and development expenses	(20,981)	(17,556)
	7,229	6,754

Notes to the Consolidated Financial Statements

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45. SHARE OPTION SCHEME

The Company's share option scheme was adopted pursuant to a resolution passed on 1 December 2015 (the "Share Option Scheme") for the purpose of providing incentives or rewards to any executives, any employee (including proposed, full-time or part-time employee), a director or proposed director (including an independent non-executive director), a direct or indirect shareholder of any member of the Company and its subsidiaries and an associate of any of the aforementioned persons ("Eligible Persons") who the board of directors of the Company considers, in its sole discretion, have contributed or will contribute to the Group. The Share Option Scheme expired on 30 November 2025. As at 31 December 2025, the Share Option Scheme has been terminated and no further options may be granted thereunder, nor has the Company adopted any new share option scheme.

Under the Share Option Scheme, the board of directors of the Company may grant options to Eligible Persons, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Company shall not in aggregate exceed 10% of the total number of shares in issue as at 29 December 2015, being the date of the listing of ordinary shares of the Company (i.e. 200,000,000 shares). The maximum number of shares issued and to be issued upon exercise of the options granted to each of the Eligible Persons (including both exercised and outstanding options), in any 12-month period shall not exceed 1% of the shares of the Company in issue for the time.

Options granted shall be taken up upon payment of HK\$1 as consideration for the grant of option. Options may be exercised at any time not exceeding a period of 10 years from the date which the share option is deemed to be granted and accepted. The exercise price of each option is determined by the board of directors of the Company, and shall not be less than whichever is the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of offer; and (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the offer date.

No share options were granted, exercised, cancelled, lapsed or forfeited during the years ended 31 December 2025 and 31 December 2024. There were no outstanding share options as at the end of both reporting periods.

Notes to the Consolidated Financial Statements

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46. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings <i>HK\$'000</i>	Lease liabilities <i>HK\$'000</i>	Dividend payable <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024	316	13,031	–	13,347
Financing cash flows	9,207	(15,448)	3	(6,238)
Non-cash changes				
New leases entered	–	2,429	–	2,429
Lease modifications	–	30,595	–	30,595
Interest expenses	1,381	873	–	2,254
Unclaimed dividends write back	–	–	(3)	(3)
Exchange adjustments	–	(525)	–	(525)
At 31 December 2024	10,904	30,955	–	41,859
Financing cash flows	28,536	(14,128)	(431,642)	(417,234)
Non-cash changes				
New leases entered	–	700	–	700
Lease modifications	–	2,006	–	2,006
Interest expenses	926	1,417	–	2,343
Dividends recognised as distribution	–	–	431,642	431,642
Exchange adjustments	273	557	–	830
At 31 December 2025	40,639	21,507	–	62,146

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47. RELATED PARTY TRANSACTIONS

Apart from bills receivable, amount due from a related company, amounts due from fellow subsidiaries, contract assets from a related company and fellow subsidiaries, amount due to a related company, amounts due to fellow subsidiaries and bonds guaranteed by a fellow subsidiary as set out in notes 24, 25, 26, 27, 31, 32 and 43, respectively, the Group has following transactions with its related parties:

Relationships	Nature of transactions	2025 HK\$'000	2024 HK\$'000
Ultimate holding company	Entrustment fee income	329	219
Fellow subsidiaries	Revenue from fitting-out works	459	14,463
	Rental income	2,676	6,776
	Technical advisory service fee income	149	30
	Entrustment fee income	–	87
	Revenue from distribution of interior decorative materials	–	30
	Specialised works subcontracting costs	4,443	983
	Technical advisory service fee expenses	1,778	756
	Purchase of office equipment	–	76
A subsidiary of a joint venture	Management services fee income	350	–
	Purchase of marble materials	19	–
Related companies	Rental income	944	1,821
	Construction management fee expenses capitalised into property, plant and equipment	5,731	3,359
	Property management fee expenses	72	647

In addition,

- as at 31 December 2025, the ultimate holding company had outstanding performance bonds and an advance payment bond amounting to HK\$22,208,000 (2024: HK\$145,983,000) issued in favour of customers of the Group through financial institutions. During the year ended 31 December 2024, a performance bond was jointly guaranteed by both the ultimate holding company and an intermediate holding company, which was released before 31 December 2024.
- as at 31 December 2025 and 31 December 2024, the banking facilities of Sundart Beijing and its subsidiary were guaranteed by the ultimate holding company. Both Sundart Beijing and its subsidiary did not pay any charges for the guarantee granted.

Note: All related party transactions were recorded by the subsidiaries of the Company, except for the entrustment fee income, which was recorded by the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

47. RELATED PARTY TRANSACTIONS *(Continued)***Compensation of key management personnel**

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Salaries and short-term benefits	40,469	39,560
Post-employment benefits	357	331
	40,826	39,891

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

The above related party transactions for the year ended 31 December 2025 in respect of revenue from fitting-out works, rental income, specialised works subcontracting costs, technical advisory service fee expenses and construction management fee expenses capitalised into property, plant and equipment constituted discloseable continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section headed "Continuing connected transactions" in the Directors' Report.

Notes to the Consolidated Financial Statements

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48. PARTICULARS OF THE SUBSIDIARIES

Particulars of the Company's subsidiaries at 31 December 2025 are as follows:

Name of subsidiary	Place of incorporation or establishment/ operations	Registered capital	Paid up issued capital	Equity interests attributable to the Group		Principal activities
				2025	2024	
<i>Direct subsidiaries:</i>						
Sundart Investments Limited	Hong Kong	HK\$1,000	HK\$1,000	100%	100%	Investment holding
Sundart Products Limited	BVI/Hong Kong	USD1	USD1	100%	100%	Investment holding and leasing of intellectual properties
GROW PATH INTERNATIONAL LIMITED	BVI/Hong Kong	USD1	USD1	100%	100%	Investment holding
GLORYEILD ENTERPRISES LIMITED	BVI/Hong Kong	USD1	USD1	100%	100%	Investment holding
<i>Indirect subsidiaries:</i>						
Sundart Timber	Hong Kong	HK\$46,510,000	HK\$46,510,000	100%	100%	Investment holding and fitting-out works
Sundart Elite Base Engineering Limited	Hong Kong	HK\$1	HK\$1	100%	100%	Fitting-out works
Sundart Engineering Services (Macau) Limited	Macau	MOP100,000	MOP100,000	100%	100%	Fitting-out works
SUNDART ENGINEERING SERVICES (SINGAPORE) PTE. LIMITED	Singapore	SGD2,000,000	SGD2,000,000	100%	100%	Fitting-out works
SUNDART CONSTRUCTION SERVICES (PHILIPPINES) INC.	The Philippines	Philippine peso 15,000,000	Philippine peso 15,000,000	100%	100%	Fitting-out works
ELITE BASE COMPANY	Saudi Arabia	SAR1,000,010	–	100%	N/A	Fitting-out works
SUNDART ENGINEERING SERVICES L.L.C.	Dubai	AED1,000,000	AED300,000	100%	N/A	Fitting-out works
Sundart Engineering Investments Limited	Hong Kong	HK\$1	HK\$1	100%	100%	Investment holding
Sundart Beijing (note a)	The PRC	HK\$182,270,000	HK\$182,270,000	100%	100%	Investment holding and fitting-out works
承達創建建設工程有限公司 (note a)	The PRC	RMB100,000,000	RMB100,000,000	100%	100%	Fitting-out works
北京承達創科裝飾工程有限公司	The PRC	RMB30,000,000	RMB30,000,000	100%	100%	Sourcing and distribution of interior decorative materials
北京承達置業有限公司	The PRC	RMB30,000,000	RMB30,000,000	100%	100%	Property holding and leasing of properties
Sundart Living	Hong Kong	HK\$100	HK\$100	100%	100%	Investment holding
Dongguan Sundart Home Furnishing Co., Ltd. (note b)	The PRC	HK\$111,570,000	HK\$111,570,000	100%	100%	Manufacturing and distribution of interior decorative materials

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48. PARTICULARS OF THE SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation or establishment/ operations	Registered capital	Paid up issued capital	Equity interests attributable to the Group		Principal activities
				2025	2024	
Sundart International Supply Limited	Hong Kong	HK\$10,000	HK\$10,000	100%	100%	Sourcing and distribution of interior decorative materials
Sundart International Supply (Macau) Limited	Macau	MOP25,000	MOP25,000	100%	100%	Sourcing and distribution of interior decorative materials
Sundart Industry Investment Limited	Hong Kong	HK\$100	HK\$100	100%	100%	Investment holding
廣州承達實業有限公司 (note b)	The PRC	RMB96,000,000	RMB96,000,000	100%	100%	Investment holding
武漢承達創建實業有限公司 (note b)	The PRC	RMB100,000,000	RMB100,000,000	100%	100%	Investment holding
廣東承達智能環保建材科技有限公司 (formerly known as 梅州承達裝飾材料製造有限公司) (note a)	The PRC	RMB500,000,000	RMB394,298,978	100%	100%	Property holding
梅州承達國際貿易有限公司 (note b)	The PRC	RMB3,000,000	–	100%	N/A	Sourcing and distribution of interior decorative materials
PEAK GAIN DEVELOPMENT LIMITED	BVI/Hong Kong	USD1	USD1	100%	100%	Investment holding
Glory One Investments Limited	Hong Kong	HK\$1	HK\$1	100%	100%	Property holding
PROGRESS MAX LIMITED	BVI/Hong Kong	USD100	USD100	100%	N/A	Investment holding
CREATIVE GLOBAL LIMITED	Hong Kong	HK\$100	HK\$100	100%	N/A	Leasing of property
GOOD ENCORE LIMITED	BVI/Hong Kong	USD1	USD1	100%	100%	Investment holding
Good Encore Development Limited	Hong Kong	HK\$100	HK\$100	100%	100%	Leasing of property
ACUTE KEY INTERNATIONAL LIMITED	BVI/Hong Kong	USD1	USD1	100%	100%	Investment holding
Metro Palace Limited	Hong Kong	HK\$3	HK\$3	100%	100%	Leasing of property
EASY GLORY HOLDINGS LIMITED	BVI/Hong Kong	USD1	USD1	100%	100%	Investment holding
PROPER WEALTH GROUP LIMITED	BVI/Hong Kong	USD1	USD1	100%	100%	Investment holding
OrigaT Limited	Hong Kong	HK\$100	HK\$100	70%	N/A	Investment holding and research and development of software
深圳態技科技有限公司 (note b)	The PRC	RMB500,000	–	70%	N/A	Research and development of software

Notes:

- (a) This is a sino-foreign joint venture established in the PRC.
(b) This is a wholly foreign-owned enterprise in the PRC.

None of the subsidiaries had issued any debt securities during the year.

Five-Year Financial Summary

	Year ended 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Results					
Revenue	5,135,788	5,996,777	5,461,344	4,678,627	5,689,948
Profit before tax	310,172	389,274	384,897	336,379	432,818
Income tax expense	(44,087)	(68,477)	(54,629)	(48,849)	(61,531)
Profit for the year	266,085	320,797	330,268	287,530	371,287
Profit attributable to:					
Owners of the Company	267,276	320,797	330,268	287,530	371,287
Non-controlling interests	(1,191)	–	–	–	–
	266,085	320,797	330,268	287,530	371,287
Earnings per share					
Basic and diluted (<i>HK cents</i>)	12.38	14.86	15.30	13.32	17.20
	At 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Assets and liabilities					
Total assets	7,062,200	7,115,815	7,248,560	6,692,801	7,032,980
Total liabilities	(3,446,607)	(3,391,201)	(3,806,279)	(3,445,173)	(3,805,642)
Net assets	3,615,593	3,724,614	3,442,281	3,247,628	3,227,338
Equity attributable to:					
Owners of the Company	3,615,584	3,724,614	3,442,281	3,247,628	3,227,338
Non-controlling interests	9	–	–	–	–
Total equity	3,615,593	3,724,614	3,442,281	3,247,628	3,227,338