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## **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)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024**

### **FINANCIAL HIGHLIGHTS**

*(in million HK dollars, unless otherwise stated)*

	<b>2024</b>	<b>2023</b>	<b>Change</b>
Revenue	<b>5,996.8</b>	5,461.3	9.8%
Gross profit	<b>800.2</b>	696.2	14.9%
Gross profit margin	<b>13.3%</b>	12.7%	0.6%
Profit attributable to owners of the Company	<b>320.8</b>	330.3	(2.9%)
Equity attributable to owners of the Company	<b>3,724.6</b>	3,442.3	8.2%
Basic and diluted earnings per share <i>(HK cents)</i>	<b>14.86</b>	15.30	(2.9%)

### **DIVIDENDS**

The Board proposed a final dividend of HK6 cents per Share and a special dividend of HK14 cents per Share.

The board (the “**Board**”) of director(s) (the “**Director(s)**”) of SUNDART HOLDINGS LIMITED 承達集團有限公司 (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (the “**Year**”) together with the comparative figures for the year ended 31 December 2023 (the “**Previous Year**”) as set out below:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

*For the year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
Revenue	3	<b>5,996,777</b>	5,461,344
Cost of sales		<b>(5,196,573)</b>	(4,765,129)
Gross profit		<b>800,204</b>	696,215
Other income, other gains and losses	5	<b>2,278</b>	22,139
Impairment losses under expected credit loss model, net of reversal		<b>(53,011)</b>	(17,013)
Selling expenses		<b>(15,565)</b>	(8,253)
Administrative expenses		<b>(244,597)</b>	(218,829)
Other expenses		<b>(97,930)</b>	(83,500)
Share of profit (loss) of an associate		<b>58</b>	(5,028)
Finance costs	6	<b>(2,163)</b>	(834)
Profit before tax		<b>389,274</b>	384,897
Income tax expense	7	<b>(68,477)</b>	(54,629)
<b>Profit for the year attributable to owners of the Company</b>	8	<b>320,797</b>	330,268

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

*For the year ended 31 December 2024*

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
<b>Other comprehensive expenses</b>			
<b><i>Item that will not be reclassified to profit or loss:</i></b>			
Gain on revaluation of properties transferred to investment properties		<u>—</u>	<u>9,810</u>
<b><i>Items that may be reclassified subsequently to profit or loss:</i></b>			
Exchange differences arising on translation of foreign operations		<b>(37,994)</b>	(15,870)
Share of other comprehensive expense of an associate		<u>(473)</u>	<u>(62)</u>
		<u><b>(38,467)</b></u>	<u>(15,932)</u>
Other comprehensive expenses for the year		<u><b>(38,467)</b></u>	<u>(6,122)</u>
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<u><b>282,330</b></u>	<u>324,146</u>
<b>Earnings per share</b>			
Basic and diluted ( <i>HK cents</i> )	<i>10</i>	<u><b>14.86</b></u>	<u>15.30</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*At 31 December 2024*

		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>240,831</b>	231,240
Right-of-use assets		<b>55,570</b>	12,660
Investment properties		<b>149,818</b>	164,659
Goodwill		<b>1,510</b>	1,510
Interest in an associate		<b>92,471</b>	92,886
Financial assets at fair value through profit or loss		<b>23,535</b>	14,834
Deferred tax assets		<b>35,475</b>	29,629
		<b>599,210</b>	547,418
<b>Current assets</b>			
Inventories		<b>30,960</b>	65,156
Trade and other receivables and bills receivable	<i>11</i>	<b>2,757,489</b>	3,202,045
Amounts due from related companies		<b>297</b>	305
Amounts due from fellow subsidiaries	<i>12</i>	<b>4,625</b>	1,721
Contract assets		<b>1,011,449</b>	1,423,938
Tax recoverable		<b>15,331</b>	10,532
Financial assets at fair value through profit or loss		–	59,000
Other financial assets at amortised cost		–	9,533
Pledged bank deposits		<b>55,524</b>	52,186
Bank balances and cash		<b>2,640,930</b>	1,876,726
		<b>6,516,605</b>	6,701,142
<b>Current liabilities</b>			
Trade and other payables	<i>13</i>	<b>2,454,592</b>	2,913,308
Bills payable	<i>14</i>	<b>612,931</b>	604,073
Amounts due to fellow subsidiaries		<b>3</b>	278
Tax payable		<b>62,306</b>	46,044
Bank borrowings		<b>10,904</b>	316
Lease liabilities		<b>11,985</b>	10,349
Contract liabilities		<b>216,270</b>	224,043
		<b>3,368,991</b>	3,798,411
<b>Net current assets</b>		<b>3,147,614</b>	2,902,731
<b>Total assets less current liabilities</b>		<b>3,746,824</b>	3,450,149

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (*Continued*)  
*At 31 December 2024*

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
<b>Capital and reserves</b>		
Share capital	<b>1,246,815</b>	1,246,815
Reserves	<b>2,477,799</b>	2,195,466
	<hr/>	<hr/>
<b>Equity attributable to owners of the Company</b>	<b>3,724,614</b>	3,442,281
	<hr/>	<hr/>
<b>Non-current liabilities</b>		
Deferred tax liabilities	<b>3,240</b>	5,186
Lease liabilities	<b>18,970</b>	2,682
	<hr/>	<hr/>
	<b>22,210</b>	7,868
	<hr/>	<hr/>
	<b>3,746,824</b>	3,450,149
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## NOTES

### 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 Group Company Limited\*) (“**Jangho Co**”), a joint stock company incorporated in the People’s Republic of China (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 provision of fitting-out works and alteration and addition and construction works and manufacturing, sourcing and distribution of interior decorative materials.

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

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

#### Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
HKFRS 16 (Amendments)	Lease Liability in a Sales and Leaseback
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
HK Int 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The Group has not early applied any new or amendments to HKFRSs that are not yet effective for the current accounting period.

The new and amendments to HKFRSs listed above did not have material impact on the amounts recognised in the current and prior periods and are not expected to significantly affect the current or future periods.

### 3. REVENUE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Contract revenue from fitting-out works	5,992,431	5,450,273
Contract revenue from alteration and addition and construction works	2,364	10,532
Manufacturing, sourcing and distribution of interior decorative materials	1,982	539
	<u>5,996,777</u>	<u>5,461,344</u>

#### 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
The Macau Special Administrative Region ("Macau")	261,684	–	–	261,684
The Republic of Singapore ("Singapore")	1,356,543	–	–	1,356,543
The PRC	2,356,810	–	433	2,357,243
The Republic of the Philippines (the "Philippines")	–	–	1,519	1,519
	<u>5,992,431</u>	<u>2,364</u>	<u>1,982</u>	<u>5,996,777</u>
Total				
Timing of revenue recognition				
A point in time	–	–	1,982	1,982
Over time	5,992,431	2,364	–	5,994,795
	<u>5,992,431</u>	<u>2,364</u>	<u>1,982</u>	<u>5,996,777</u>
Total				

For the year ended 31 December 2023

	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	1,883,415	10,532	–	1,893,947
Macau	42,009	–	–	42,009
Singapore	1,157,365	–	–	1,157,365
The PRC	2,367,484	–	433	2,367,917
Others	–	–	106	106
Total	<u>5,450,273</u>	<u>10,532</u>	<u>539</u>	<u>5,461,344</u>
Timing of revenue recognition				
A point in time	–	–	539	539
Over time	<u>5,450,273</u>	<u>10,532</u>	<u>–</u>	<u>5,460,805</u>
Total	<u>5,450,273</u>	<u>10,532</u>	<u>539</u>	<u>5,461,344</u>

*Note:* The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 and the expected timing of recognising revenue are as follows:

	<b>Construction contracts</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Within one year	<b>3,440,891</b>	4,193,885
More than one year but not more than two years	<b>1,694,135</b>	430,575
Over two years	<b>657,036</b>	9,169
	<u><b>5,792,062</b></u>	<u>4,633,629</u>

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.



#### 4. OPERATING SEGMENTS

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

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

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

Information regarding the above segments was reported below:

##### Segment revenue and results

##### For the year ended 31 December 2024

	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	Elimination HK\$'000	Consolidated HK\$'000
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	<u>2,017,394</u>	<u>261,684</u>	<u>1,356,543</u>	<u>2,356,810</u>	<u>2,364</u>	<u>527,551</u>	<u>6,522,346</u>	<u>(525,569)</u>	<u>5,996,777</u>
Segment profit (loss)	<u>77,618</u>	<u>15,995</u>	<u>225,145</u>	<u>(49,302)</u>	<u>(29,953)</u>	<u>201,886</u>	<u>441,389</u>	<u>-</u>	<u>441,389</u>
Share of profit of an associate									58
Unallocated other income									60,604
Unallocated corporate expenses									(110,614)
Unallocated finance costs									(2,163)
Profit before tax									<u>389,274</u>

For the year ended 31 December 2023

	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	Elimination HK\$'000	Consolidated HK\$'000
Revenue									
External revenue	1,883,415	42,009	1,157,365	2,367,484	10,532	539	5,461,344	–	5,461,344
Inter-segment revenue	(780)	–	–	–	–	329,406	328,626	(328,626)	–
Segment revenue	<u>1,882,635</u>	<u>42,009</u>	<u>1,157,365</u>	<u>2,367,484</u>	<u>10,532</u>	<u>329,945</u>	<u>5,789,970</u>	<u>(328,626)</u>	<u>5,461,344</u>
Segment profit (loss)	<u>153,800</u>	<u>76,190</u>	<u>136,340</u>	<u>(19,268)</u>	<u>(2,083)</u>	<u>86,040</u>	<u>431,019</u>	<u>–</u>	<u>431,019</u>
Share of loss of an associate									(5,028)
Unallocated other income									44,910
Unallocated corporate expenses									(85,170)
Unallocated finance costs									<u>(834)</u>
Profit before tax									<u>384,897</u>

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 profit (loss) of an associate and finance costs. This is the measure reported to the executive Directors for the purposes of resource allocation and performance assessment.

Inter-segment revenue was charged at prevailing market rates.

### 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.

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Hong Kong	<b>2,019,758</b>	1,893,947
Macau	<b>261,684</b>	42,009
Singapore	<b>1,356,543</b>	1,157,365
The PRC	<b>2,358,792</b>	2,368,023
	<u><b>5,996,777</b></u>	<u>5,461,344</u>

## 5. OTHER INCOME, OTHER GAINS AND LOSSES

	2024 HK\$'000	2023 HK\$'000
Other income		
Interest income	50,529	36,288
Rental income	9,046	7,892
Service fee and entrustment fee income	3,896	322
Others	1,883	4,929
	<u>65,354</u>	<u>49,431</u>
Other gains and losses		
Net foreign exchange gains	7,003	8,372
(Loss) gain on disposal of property, plant and equipment	(1,162)	59
Loss from fair value changes of investment properties	(11,551)	(4,064)
Net loss from fair value changes of financial assets at fair value through profit or loss ("FVTPL")	(57,366)	(31,659)
	<u>(63,076)</u>	<u>(27,292)</u>
	<u>2,278</u>	<u>22,139</u>

## 6. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Interest on bank borrowings	1,381	99
Interest on lease liabilities	873	788
	<u>2,254</u>	<u>887</u>
Less: Interest on lease liabilities included in contract costs	(91)	(53)
	<u>2,163</u>	<u>834</u>

## 7. INCOME TAX EXPENSE

	2024 HK\$'000	2023 HK\$'000
Current tax		
Hong Kong Profits Tax	6,120	18,051
Macau Complementary Tax	18,526	15,519
Singapore Corporate Income Tax	39,948	23,968
PRC Enterprise Income Tax	7,435	969
	<u>72,029</u>	<u>58,507</u>
Under (over) provision in prior years		
Hong Kong Profits Tax	(2,066)	(34)
Macau Complementary Tax	(923)	(902)
Singapore Corporate Income Tax	(626)	(69)
PRC Enterprise Income Tax	8,510	(300)
	<u>4,895</u>	<u>(1,305)</u>
Deferred tax		
Current year	<u>(8,447)</u>	<u>(2,573)</u>
	<u>68,477</u>	<u>54,629</u>

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.

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%.

## 8. PROFIT FOR THE YEAR

	2024 HK\$'000	2023 HK\$'000
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration		
Audit service fee	1,400	1,400
Non-audit service fee	574	570
	1,974	1,970
Depreciation of property, plant and equipment	16,999	16,715
Depreciation of right-of-use assets	14,941	15,869
	31,940	32,584
Cost of inventories recognised as expenses in respect of		
External revenue	1,804	457
Inter-segment revenue	272,487	202,073
	274,291	202,530
(Reversal of) write-down of inventories to net realisable value (included in cost of sales)	(10,174)	863
Contract costs recognised as expenses		
Fitting-out works ( <i>note</i> )	5,191,676	4,752,610
Alteration and addition and construction works	13,267	11,199
	5,204,943	4,763,809
Research and development expenses (included in other expenses)	95,872	82,893
Staff costs		
Gross staff costs (including Directors' emoluments)	512,461	502,457
Less: Staff costs included in contract costs, inventories and research and development expenses	(344,082)	(327,277)
	168,379	175,180
Gross rental income from investment properties	(9,046)	(7,892)
Less: Direct operating expenses incurred for investment properties that generated rental income during the Year	1,146	1,006
	<b>(7,900)</b>	<b>(6,886)</b>

*Note:* Contract costs of fitting-out works recognised as expenses included cost of inventories recognised as expenses of HK\$272,487,000 (Previous Year: HK\$202,073,000).

## 9. DIVIDENDS

	2024 HK\$'000	2023 HK\$'000
Dividends for ordinary shareholders of the Company (the “Shareholders”) recognised as distribution during the Year:		
2023 final dividend – nil (Previous Year:		
2022 final dividend – HK6 cents per share)	–	129,493

Subsequent to the end of the reporting period, a final dividend of HK6 cents per ordinary share of the Company (the “Share”, collectively, the “Shares”) and a special dividend of HK14 cents per Share for the Year, in an aggregate amount of HK\$431,642,000, have been proposed by the Board and are subject to approval by the Shareholders in the forthcoming annual general meeting of the Company to be held at 10:00 a.m. on Monday, 2 June 2025 at 19/F, Millennium City 3, 370 Kwun Tong Road, Kowloon, Hong Kong or any adjournment thereof (the “AGM”) (Previous Year: the Board did not recommend the payment of a final dividend).

## 10. EARNINGS PER SHARE

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

	2024 HK\$'000	2023 HK\$'000
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	320,797	330,268
	2024 '000	2023 '000
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	2,158,210	2,158,210

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

# 11. 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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables (gross carrying amount)		
Fitting-out works	1,282,110	1,653,705
Alteration and addition and construction works	3,035	1,113
Manufacturing, sourcing and distribution of interior decorative materials	2,318	1,391
	<u>1,287,463</u>	<u>1,656,209</u>
Less: Allowance for credit losses	(84,264)	(70,447)
Trade receivables (net carrying amount)	<u>1,203,199</u>	<u>1,585,762</u>
Unbilled receivables (gross carrying amount) ( <i>note</i> )	1,065,388	1,050,804
Less: Allowance for credit losses	(121,814)	(99,106)
Unbilled receivables (net carrying amount)	<u>943,574</u>	<u>951,698</u>
Other receivables (gross carrying amount)	139,947	173,768
Less: Allowance for credit losses	(29,022)	(19,013)
Other receivables (net carrying amount)	<u>110,925</u>	<u>154,755</u>
Bills receivable (gross carrying amount)	19,216	11,958
Less: Allowance for credit losses	(130)	(375)
Bills receivable (net carrying amount)	<u>19,086</u>	<u>11,583</u>
Prepayments and deposits	<u>480,705</u>	<u>498,247</u>
	<u><b>2,757,489</b></u>	<u><b>3,202,045</b></u>

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

### Trade receivables

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

	2024 HK\$'000	2023 HK\$'000
1–30 days	459,021	571,414
31–60 days	134,937	254,649
61–90 days	40,181	212,486
Over 90 days	569,060	547,213
	<u>1,203,199</u>	<u>1,585,762</u>

### Bills receivable

As at 31 December 2024, the carrying amount of bills receivable amounting to HK\$19,086,000 (31 December 2023: HK\$11,583,000) 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:

	2024 HK\$'000	2023 HK\$'000
1–30 days	16,566	3,882 <sup>(Note)</sup>
31–60 days	1,106	543
61–90 days	1,344	–
Over 90 days	70	7,158
	<u>19,086</u>	<u>11,583</u>

*Note:* As at 31 December 2023, the relevant bills receivable amounting to HK\$1,401,000 were issued by a related company in which Mr. Liu and his spouse have beneficial interest.

## 12. 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:

	2024 HK\$'000	2023 HK\$'000
1–30 days	545	1,721
Over 90 days	4,080	–
	<u>4,625</u>	<u>1,721</u>



### 13. 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.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Contract creditors and suppliers	1,741,848	2,123,533
Retentions payable	446,814	482,305
	<u>2,188,662</u>	<u>2,605,838</u>
Other tax payables	128,492	164,673
Other payables and accruals	137,438	142,797
	<u>2,454,592</u>	<u>2,913,308</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
1–30 days	1,166,075	1,342,278
31–60 days	104,124	163,374
61–90 days	48,842	99,361
Over 90 days	422,807	518,520
	<u>1,741,848</u>	<u>2,123,533</u>

As at 31 December 2024, the Group's retentions payable of HK\$269,267,000 (31 December 2023: HK\$285,930,000) were expected to be paid after one year.

### 14. BILLS PAYABLE

As at 31 December 2024 and 31 December 2023, certain bills payable were secured by certain pledged bank deposits and were repayable as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
1–30 days	122,154	147,506
31–60 days	110,621	105,873
61–90 days	85,768	112,226
Over 90 days	294,388	238,468
	<u>612,931</u>	<u>604,073</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### MARKET REVIEW

Hong Kong has faced significant economic pressure due to increasing global economic uncertainties, escalating trade conflicts, along with changing consumption patterns of residents and visitors. However, the expected further monetary easing by major central banks, coupled with recent stimulus measures taken by the PRC, is likely to bolster sentiment and activities in the domestic market. According to the Census and Statistics Department (the “**C&SD**”) of the government of Hong Kong (the “**Hong Kong Government**”), Hong Kong’s gross domestic product (“**GDP**”) increased by 2.5% year-on-year in real terms in 2024.

According to the provisional results of the “Report on the Quarterly Survey of Construction Output” released by the C&SD, the total gross value of construction works carried out by main contractors in Hong Kong increased by 9.4% year-on-year in nominal terms to HK\$77.8 billion in the fourth quarter of 2024. However, the gross value of construction works carried out at private sector sites decreased by 3.6% year-on-year in nominal terms to HK\$22.4 billion in the fourth quarter of 2024. Nevertheless, the gross value of construction works carried out at construction sites in respect of residential building projects increased by 13.9% year-on-year in nominal terms to HK\$23.3 billion in the fourth quarter of 2024. The residential market in Hong Kong stimulated temporarily following the withdrawal of demand-side management measures for residential properties in February 2024. However, the real estate market has been affected by persistent geopolitical tensions and high interest rates, along with the drastic changes in Hong Kong’s business environment, resulting in ongoing pressure on the real estate market and impacting the demand for fitting-out works in Hong Kong.

Information from the Statistics and Census Service of the government of Macau (the “**Macau Government**”) indicated that Macau’s GDP increased by 8.8% year-on-year in real terms to Macau Pataca (“**MOP**”) 403.3 billion in 2024, returning to 86.4% of the level in 2019. As a result of a surge in visitor arrivals to Macau during the peak summer season, exports of services increased by 9.2% year-on-year in 2024, with exports of gaming services increasing by 21.8%. Driven by the favorable measures of the PRC, Macau welcomed 34.9 million visitors in 2024, marking an increase of 23.8% year-on-year. Furthermore, the Gaming Inspection and Coordination Bureau of Macau indicated that the gross gaming revenue increased by 23.9% year-on-year to MOP226.8 billion in 2024. With Macau’s economy steadily recovering, numerous investment and construction projects have been launched that were driving stable demand for the fitting-out industry.

According to the estimates of the Ministry of Trade and Industry of the government of Singapore (“**MTI**”), Singapore’s real GDP increased by 4.4% year-on-year in 2024. Meanwhile, the construction industry in Singapore continued to grow in 2024, driven by both public and private sectors, which demonstrated a resilient and balanced industry. Singapore’s construction industry increased by 4.5% in 2024 according to MTI, benefiting from a diverse project portfolio and emerging trends, including an increasing focus on technology, sustainability and urbanisation. The public sector demonstrated strong demand during the Year, driven by large-scale infrastructure developments such as the Cross Island Line (Phase 2) of Mass Rapid Transit, Changi Airport Terminal 5 and Housing & Development Board projects, to realise Singapore’s vision of maintaining world-class facilities. In addition, demand from the private sector was bolstered by redevelopment of commercial premises and residential developments, thus creating opportunities for the fitting-out industry in Singapore.

According to the preliminary estimates of the National Bureau of Statistics of China, the PRC’s GDP increased by 5.0% year-on-year to Renminbi (“**RMB**”) 134,908.4 billion in 2024. However, in 2024, investments in real estate development decreased by 10.6% year-on-year to RMB10,028.0 billion, among which, investments in residential properties decreased by 10.5% year-on-year to RMB7,604.0 billion. The floor space of newly started area of properties decreased by 23.0% year-on-year to 738.9 million square metres (“**m<sup>2</sup>**”), of which the floor space of newly started residential area decreased by 23.0% year-on-year to 536.6 million m<sup>2</sup>.

The residential market in the PRC was still in the adjustment stage during the Year. In order to foster stable and healthy development of the real estate market, the government of the PRC (the “**PRC Government**”) has implemented a series of measures, including lifting home purchase restrictions and reducing down payment ratios and mortgage rates. Nevertheless, consumer confidence in the real estate market remains low, and the fitting-out industry in the PRC was inevitably affected.

## 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, approximately 99.9% of the Group’s revenue was derived from its fitting-out business.

Despite the challenging market environment, the Group has built a trusted reputation and a premium brand over the years. This achievement is attributed to its experienced team and its commitment to quality and customer focus, resulting in a well-established customer base. In addition, the Group demonstrated sound performance and resilience during economic downturns through prudent financial discipline. During the Year, the Group secured a number of large-scale and high-end fitting-out projects, which have injected new impetus to its growth and further strengthened its competitiveness.

## **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 46 fitting-out projects, including 15 in Hong Kong, 4 in Macau, 1 in Singapore and 26 in the PRC. The total contract sum of such projects amounted to HK\$4,488.9 million, out of which HK\$1,414.7 million was recognised as revenue during the Year. As at 31 December 2024, the Group had 196 projects on hand (including contracts in progress and contracts signed but yet to commence), including 39 in Hong Kong, 6 in Macau, 3 in Singapore and 148 in the PRC. The total contract sum and value of the outstanding works of such projects as at 31 December 2024 amounted to HK\$13,951.4 million and HK\$6,692.7 million, respectively.

During the Year, the Group's revenue derived from its fitting-out business increased by HK\$542.1 million or 9.9% year-on-year to HK\$5,992.4 million (Previous Year: HK\$5,450.3 million). Such increase was mainly attributable to a number of sizeable fitting-out projects carried out in Macau and Singapore during the Year. As a result, the Group's revenue derived from its fitting-out business in Macau and Singapore increased by HK\$418.9 million, as compared to the Previous Year.

The Group's gross profit derived from its fitting-out business during the Year increased by HK\$114.1 million or 16.4% year-on-year to HK\$810.9 million (Previous Year: HK\$696.8 million). The increase in gross profit was mainly attributable to the increase in revenue and the slight increase of gross profit margin of its fitting-out business from 12.8% for the Previous Year to 13.5% for the Year.

## **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 decreased by HK\$8.1 million or 77.1% year-on-year to HK\$2.4 million (Previous Year: HK\$10.5 million). Such decrease was primarily attributable to the Group not having tendered for any alteration and addition and construction projects in the past years.

The Group's gross loss derived from its alteration and addition and construction business was HK\$10.9 million during the Year (Previous Year: HK\$0.7 million), whilst the gross loss margin was 454.2% (Previous Year: 6.7%). 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, 東莞承達家居有限公司 (Dongguan Sundart Home Furnishing Co., Ltd.\*) ("**Dongguan Sundart**"), the Group operates a manufacturing plant and a warehouse located in Dongguan, Guangdong Province, the PRC, the aggregate gross floor area of which is over 40,000 m<sup>2</sup>. 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\$1.5 million or 300% year-on-year to HK\$2.0 million (Previous Year: HK\$0.5 million). Such increase was primarily due to a new order for the sales of furniture samples 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\$0.2 million during the Year (Previous Year: HK\$0.1 million), whilst the gross profit margin was 10.0% (Previous Year: 20.0%). Such gross profit and gross profit margin for the Year mainly generated from an order made by a PRC's customer.

## **Principal risks**

As at 31 December 2024, 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 Group's estimated time and costs to determine the tender price and its failure to make accurate estimates may lead to cost overruns or even losses in its projects; (iv) changes in the social, political and economic landscape of the PRC may materially affect the Group's business; 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 increased by HK\$535.5 million or 9.8% year-on-year to HK\$5,996.8 million (Previous Year: HK\$5,461.3 million), its gross profit increased by HK\$104.0 million or 14.9% year-on-year to HK\$800.2 million (Previous Year: HK\$696.2 million) and its gross profit margin increased to 13.3% (Previous Year: 12.7%). Such increase in revenue, gross profit and gross profit margin were primarily due to increase 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\$2.3 million for the Year (Previous Year: HK\$22.1 million) which is primarily due to the increase in net loss from fair value changes of financial assets at FVTPL by HK\$25.7 million as compared to the Previous Year. Details of other income, other gains and losses are set out in note 5 to the Consolidated Statement of Profit or Loss and Other Comprehensive Income in this announcement.

### **Profit for the year**

The Group's profit for the year decreased by HK\$9.5 million or 2.9% year-on-year to HK\$320.8 million (Previous Year: HK\$330.3 million). Although the Group's gross profit increased during the Year, it was offset by the increases in impairment losses on trade and other receivables and administrative expenses, as well as the decrease in net other income as discussed above.

### **Basic and diluted earnings per share**

The Company's basic and diluted earnings per share for the Year was HK14.86 cents (Previous Year: HK15.30 cents), decreased by HK0.44 cents or 2.9% year-on-year, which is in line with the decrease in profit for the year. Details of earnings per share are set out in note 10 to the Consolidated Statement of Profit or Loss and Other Comprehensive Income in this announcement.

### **Material acquisition and disposal**

No 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 2024, the Group's financial assets at FVTPL comprised HK\$17.0 million, HK\$6.5 million and nil (31 December 2023: HK\$14.8 million, nil and HK\$59.0 million) of listed equity securities, financial products and unlisted equity fund, respectively.

During the Year, the Group purchased HK\$34.9 million of financial products, two of which were disposed for HK\$27.8 million. Further, the Group recognised net fair value loss of HK\$57.4 million in profit or loss in respect of the financial assets at FVTPL, primarily as a result of the expiry of 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 will be subject to the performance of the relevant financial markets which may change rapidly and unpredictably in the future.

None of the above financial assets at FVTPL held by the Group had a value of 5% or more of the total assets of the Group, and the Group did not hold any significant investments during the 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 the date of this announcement, the Group did not have any plans for material investments or capital assets.



## CORPORATE FINANCE AND RISK MANAGEMENT

### **Liquidity and financial resources and capital structure**

The management and control of the Group's financial, capital management and external financing functions are centralised at its headquarters in Hong Kong. The Group adheres to the principle of prudent financial management to minimise the financial and operational risks it is exposed to. During the 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 2024, the Group's net current assets amounted to HK\$3,147.6 million, representing an increase of HK\$244.9 million from HK\$2,902.7 million as recorded as at 31 December 2023. The Group's bank balances and cash amounted to HK\$2,640.9 million, representing an increase of HK\$764.2 million from HK\$1,876.7 million as recorded as at 31 December 2023. Such increase was mainly generated from the operating activities.

As at 31 December 2024, the bank borrowings of the Group amounted to HK\$10.9 million (31 December 2023: HK\$0.3 million), out of which HK\$10.9 million and nil (31 December 2023: HK\$0.2 million and HK\$0.1 million) will be repayable within one year and more than one year but not exceeding two years, respectively. 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 2024, the Group's current assets and current liabilities amounted to HK\$6,516.6 million and HK\$3,369.0 million, respectively (31 December 2023: HK\$6,701.1 million and HK\$3,798.4 million, respectively). The Group's current ratio as at 31 December 2024 increased to 1.9 (31 December 2023: 1.8). The Group maintained sufficient liquid assets to finance its business operations during the Year.

As at 31 December 2024, the Group's gearing ratio of total debts (bank borrowings) divided by total equity was 0.3% (31 December 2023: 0.01%). The increase in gearing ratio was primarily due to the increase in the Group's bank borrowings.

As at 31 December 2024, the share capital and equity attributable to owners of the Company amounted to HK\$1,246.8 million and HK\$3,724.6 million, respectively (31 December 2023: HK\$1,246.8 million and HK\$3,442.3 million, respectively).

### **Charge on the Group's assets**

The Group's assets pledged for securing certain bank borrowings, certain bills payable, certain performance bonds and certain tender bonds comprised a commercial property and pledged bank deposits, which amounted to HK\$82.6 million and HK\$55.5 million, respectively as at 31 December 2024 (31 December 2023: HK\$86.2 million and HK\$52.2 million, respectively).



## **Contingent liabilities and capital commitments**

The Group did not have any significant contingent liabilities as at 31 December 2024 and 31 December 2023, respectively.

As at 31 December 2024, the Group had capital commitments of HK\$163.1 million (31 December 2023: HK\$0.05 million) in relation to purchases of property, plant and equipment.

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

The Group operates in various regions with different foreign currencies including Euro, MOP, RMB, Singapore dollars and United States dollars. As at 31 December 2024, the Group's bank borrowings of HK\$0.1 million were made in HK dollars at floating rates, and cash and cash equivalents held were mainly in HK dollars and RMB. As at the date of this announcement, 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 experienced delay in 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 the date of this announcement which had materially affected the Group's operating and financial performance.

## EMPLOYEES AND REMUNERATION POLICIES

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

As at 31 December 2024, the Group had 1,628 employees (31 December 2023: 1,782 employees). The Group's gross staff costs (including the Directors' emoluments) increased by HK\$10.0 million or 2.0% year-on-year to HK\$512.5 million for the Year (Previous Year: HK\$502.5 million). Such increase was mainly attributable to the increase in salaries following the annual salary review.

## PROSPECTS AND STRATEGIES

Looking ahead to 2025, the global economy is expected to remain weak, posing challenges that will constrain Hong Kong's economic outlook. In the 2024 Policy Address, the Hong Kong Government proposed a number of measures to foster economic diversification. These include establishing a Working Group on Developing Tourist Hotspots, announcing the Development Blueprint for Hong Kong's Tourism Industry 2.0, along with the Blueprint for Arts and Culture and Creative Industries Development, which aim to promote diverse and international development in the arts, culture and creative industries to make Hong Kong a premier tourism destination. Furthermore, the Three-Runway System at Hong Kong International Airport and the Kai Tak Sports Park will also promote the development of tourism industry and the mega event economy. Together with the resumption of the multiple-entry Individual Visit Scheme for Shenzhen permanent residents, these will inject new impetus into Hong Kong's tourism, catering and retail sectors.

In addition, the Hong Kong Government has implemented various measures to attract talents worldwide, including expanding the list of universities under the Top Talent Pass Scheme, proactively inviting top-tier talents to Hong Kong through the Quality Migrant Admission Scheme, and extending the pilot arrangement for graduates from Guangdong-Hong Kong-Macao Greater Bay Area (the "**Greater Bay Area**") campus of Hong Kong universities to work in Hong Kong for two years, the influx of professionals and students stimulates demand in the residential market. With a cycle of interest rate cuts underway, alongside the abolition of demand-side management measures and the relaxation of maximum loan-to-value ratios of property mortgage loans, are expected to significantly enhance market purchasing power, further stimulate real estate demand, and drive the development of the fitting-out industry in Hong Kong.

In Macau, the Individual Visit Scheme has been expanded to 59 cities in the PRC and permanent residents of Zhuhai City can visit Macau once a week. Meanwhile, residents of the Guangdong-Macao In-depth Cooperation Zone in Hengqin can apply for a one-year multiple-entry permit to Macau, further broadening the pool of tourists from the PRC. The opening of the Qingmao and Hengqin border 24-hour checkpoints, along with infrastructure developments such as the Macau Light Rapid Transit Hengqin line, Shenzhen-Zhongshan Link and Jinhai Bridge, enhances the connectivity between Macau and other cities in the Greater Bay Area, creating a new multi-destination tourism experience. Furthermore, the expansion of Macau International Airport is expected to inject new impetus into Macau's tourism industry.

Moreover, the Macau Government is systematically implementing the “Development Plan for Appropriate Economic Diversification of the Macao Special Administrative Region (2024-2028)”. This plan promotes the high-quality development of the comprehensive tourism and leisure industry while continuing to deepen “Tourism +” and enriching non-gaming elements to highlight Macau’s diverse cultural characteristics and foster tourism integration. According to the gaming concession agreements, Macau’s six gaming concessionaires have committed to investing in diversified cultural tourism projects so as to promote moderate economic diversification and sustainable development, and develop Macau into a world centre of tourism and leisure. In addition, a number of integrated entertainment resorts in Macau are carrying out renovation or expansion projects. It is expected that investment and construction projects in Macau will continue to increase, thus boosting demand for the fitting-out industry in Macau. The Group will actively seize opportunities to secure large-scale and high-end fitting-out projects with exceptional services delivery.

In Singapore, the economy is expected to grow steadily at approximately 2.5% in 2025, driven by manufacturing, trade and financial services. The construction and real estate sectors are poised to benefit from government initiatives promoting urban sustainability and green infrastructure. The Singapore Green Plan 2030, a national initiative, serves as a cornerstone of its sustainability efforts, emphasising carbon emissions reduction, energy-efficient buildings, and the adoption of green construction materials.

In addition, the Contractors Registration System will set higher benchmarks for contractors’ financial capability, operational experience and business track records, thus enhancing their quality and credibility and unlocking greater growth potential in Singapore. The Group believes that these developments will further stimulate growth in fitting-out industry in Singapore. The Group will fully leverage its expertise and regional experience to actively explore opportunities to participate in large-scale and high-end fitting-out projects in Singapore.

At the Central Economic Work Conference, the PRC Government outlined the key economic policy priorities for 2025, including expanding domestic demand, stabilising the real estate and stock markets, maintaining stable economic growth, ensuring employment and price stability, and promoting the development of residents’ incomes in tandem with economic growth. At the same time, the conference emphasised to reverse the downturn and stabilise the real estate market, to fully unleash the potential of rigid demand and improved housing demand, and to promote a new model of real estate development.

Furthermore, the national housing and urban-rural development work conference identified five key tasks for housing development in 2025: (i) continuously promoting the stabilisation of the real estate market; (ii) fostering the construction of a new real estate development model; (iii) vigorously implementing urban renewal; (iv) creating an upgraded version of “China Construction”; and (v) building safe, comfortable, green, and smart homes. It is expected that various countercyclical policies will be further strengthened to facilitate the ongoing recovery of the PRC’s economy. Meanwhile, more proactive macroeconomic policies will contribute to stabilise the real estate market. With the positive changes in the PRC’s real estate market, new demand in the fitting-out industry is expected to emerge. The Group remains vigilant to the changes in the real estate market in the PRC and will implement appropriate business strategies in response to the evolving real estate market.

Looking ahead to 2025, the global economic slowdown and uncertain world conditions continue to present a challenging business environment. The Group will remain attentive to macroeconomic conditions and seize opportunities arising from the deep integration of the Hong Kong and Macau regions with other parts of the Greater Bay Area. Coupled with the various development projects launched by countries along the Belt and Road Initiative, such as Singapore and the Philippines, the Group is committed to enhancing its operational and management models and optimising its business plan deployment in the light of the characteristics of different markets.

The Group will also improve its capability to execute contracts with high-quality standards, while continuing to strengthen cooperative relationships with existing major customers through exceptional services delivery. It aims to attract more high-quality customers to secure long-term stable orders while maintaining satisfactory profitability level. Furthermore, the Group has prudently exported interior decorative materials to overseas markets to create new impetus for its growth. Meanwhile, the Group has preserved its competitiveness and resilience amid economic challenges through prudent financial discipline to promote its sustainable growth.

## **DIVIDENDS AND AGM**

The Board proposed a final dividend of HK6 cents per Share (the “**Final Dividend**”) and a special dividend of HK14 cents per Share for the Year (the “**Special Dividend**”), in an aggregate amount of HK\$431.6 million. The Final Dividend, amounting HK\$129.5 million, represented 40.4% of the profit available for distribution for the Year, which is in line with the Company’s dividend policy.

The payment of the Final Dividend and Special Dividend will be subject to the approval of the Shareholders at the AGM and is payable to the Shareholders whose names appear on the register of members of the Company at the close of business on 10 June 2025. It is expected that the proposed Final Dividend and Special Dividend will be paid on 19 June 2025. Notice of the AGM will be published on the Company’s website and despatched to the Shareholders in the manner required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

In order to establish entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 28 May 2025 to 2 June 2025, both days inclusive, during which no transfer of Shares will be registered. All transfers of Shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 27 May 2025.

For determining the entitlement to the proposed Final Dividend and Special Dividend, the register of members of the Company will be closed from 6 June 2025 to 10 June 2025, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for the entitlement to the proposed Final Dividend and Special Dividend, all transfers of Shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 5 June 2025.

## **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.

## **CORPORATE GOVERNANCE**

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

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

Code provision C.1.6 of the CG Code specifies that the independent non-executive Directors and other non-executive Directors should attend general meetings of the Company to gain and develop a balanced understanding of the views of the Shareholders. An independent non-executive Director and the non-executive Director were absent from the last annual general meeting of the Company held on 19 June 2024 due to their other business commitments.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (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.

## **AUDIT COMMITTEE**

As at the date of this announcement, the audit committee of the Board (the “**Audit Committee**”) comprises three independent non-executive Directors, namely, Ms. Tam Yin Ming Cecilia (chairlady of the Audit Committee), Mr. Huang Pu and Mr. Li Zheng.

The Audit Committee has reviewed and discussed the accounting principles and policies adopted by the Group, the financial information of the Group and the consolidated annual results of the Group for the Year with the Group's management and auditor, BDO Limited.

## SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited in this preliminary announcement.

## PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sundart.com](http://www.sundart.com)). The annual report of the Company for the Year containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company and despatched to the Shareholders in due course.

## APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its Shareholders, business partners and other professional parties for their support throughout the Year.

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

By order of the Board  
**SUNDART HOLDINGS LIMITED**  
**承達集團有限公司**  
**Ng Tak Kwan**  
*Chief Executive Officer and Executive Director*

Hong Kong, 19 March 2025

*As at the date of this announcement, the executive Directors are Mr. Ng Tak Kwan, Mr. Ng Chi Hang, Mr. Ding Jingyong, Mr. Guan Yihe and Mr. Xie Jianyu; the non-executive Director is Mr. Liu Zaiwang; and the independent non-executive Directors are Ms. Tam Yin Ming Cecilia, Mr. Huang Pu and Mr. Li Zheng.*