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STEVE LEUNG DESIGN GROUP LIMITED
梁志天設計集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2262)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	For the six months period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Results:		
Revenue for the period (HK$'million)	**194.6**	164.5
Profit (loss) for the period (HK$'million)	**1.0**	(7.4)
Basic earnings (loss) per share (HK cents)	**0.14**	(0.54)

Net Assets Value:

As at 30 June 2025, the Group had net assets value per share of approximately HK$0.28 (31 December 2024: approximately HK$0.28).

Remaining Contract Sum:

As at 30 June 2025, the Group had remaining contract sum of approximately HK$538.5 million (31 December 2024: approximately HK$507.1 million).

Bank Balances and Cash:

As at 30 June 2025, the Group had bank balances and cash of approximately HK$112.7 million (31 December 2024: approximately HK$140.9 million).

Interim Dividend:

The Board resolved not to declare the payment of any interim dividend for the six months period ended 30 June 2025.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of STEVE LEUNG DESIGN GROUP LIMITED 梁志天設計集團有限公司 (the "**Company**") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months period ended 30 June 2025 (the **"Period"**) together with the unaudited comparative figures for the corresponding six months period ended 30 June 2024 (the **"Previous Period"**) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

		Six months period ended 30 June	
	NOTES	**2025**	2024
		(Unaudited)	(Unaudited)
		HK$'000	*HK$'000*
Revenue	*3*	**194,592**	164,514
Cost of sales		**(121,593)**	(100,583)
Gross profit		**72,999**	63,931
Other gains and losses		**874**	(2,937)
Impairment losses on trade receivables and contract assets under expected credit loss model	*4*	**(9,793)**	(5,390)
Other income		**2,325**	1,021
Selling expenses		**(10,159)**	(7,706)
Administrative expenses		**(51,202)**	(51,507)
Finance costs		**(1,239)**	(2,000)
Profit (loss) before taxation		**3,805**	(4,588)
Income tax expense	*5*	**(2,834)**	(2,786)
Profit (loss) for the period	*6*	**971**	(7,374)
Other comprehensive income (expense) that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**3,518**	(890)
Total comprehensive income (expense) for the period		**4,489**	(8,264)

	NOTES	Six months period ended 30 June **2025** **(Unaudited)** ***HK$'000***	2024 (Unaudited) *HK$'000*
Profit (loss) for the period attributable to:			
– Owners of the Company		**1,590**	(6,139)
– Non-controlling interests		**(619)**	(1,235)
		971	(7,374)
Total comprehensive income (expense) for the period attributable to:			
– Owners of the Company		**5,014**	(6,986)
– Non-controlling interests		**(525)**	(1,278)
		4,489	(8,264)
Earnings (loss) per shares (expressed in Hong Kong cents)			
– Basic	7	**0.14**	(0.54)
– Diluted	7	**0.14**	(0.54)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025

	NOTES	**30 June 2025 (Unaudited) *HK$'000***	31 December 2024 (Audited) *HK$'000*
Non-current Assets			
Property, plant and equipment	*8*	**13,821**	15,509
Right-of-use assets	*8*	**35,210**	40,174
Intangible assets		**1,080**	1,251
Goodwill		**1,182**	1,166
Rental deposits	*10*	**5,308**	5,377
Deferred tax assets		**52,060**	51,558
		108,661	115,035
Current Assets			
Inventories		**27**	26
Trade receivables	*9*	**158,919**	138,730
Other receivables, deposits and prepayments	*10*	**11,534**	9,390
Contract assets	*11*	**84,429**	90,323
Tax recoverable		**247**	247
Restricted bank balances	*12*	**2,265**	2,720
Bank balances and cash		**112,671**	140,883
		370,092	382,319
Current Liabilities			
Trade payables	*13*	**53,943**	50,625
Other payables and accrued charges	*13*	**14,120**	20,242
Bank borrowings	*14*	**5,000**	20,000
Lease liabilities		**17,752**	17,506
Contract liabilities	*11*	**18,333**	19,384
Tax liabilities		**22,337**	21,510
		131,485	149,267
Net Current Assets		**238,607**	233,052
Total Assets less Current Liabilities		**347,268**	348,087

	NOTES	**30 June 2025 (Unaudited) *HK$'000***	31 December 2024 (Audited) *HK$'000*
Capital and Reserves			
Share capital	*15*	**11,414**	11,414
Reserves		**296,873**	291,859
Equity attributable to owners of the Company		**308,287**	303,273
Non-controlling interests		**10,261**	10,786
Total Equity		**318,548**	314,059
Non-current Liabilities			
Deferred tax liabilities		**9,838**	9,839
Lease liabilities		**18,882**	24,189
		28,720	34,028
		347,268	348,087

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 9 December 2016 and its shares were listed on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 5 July 2018. The Company's immediate holding company is Eagle Vision Development Limited, a limited liability company incorporated in the British Virgin Islands, whereas the Directors of the company (the "**Directors**") consider that the Company's ultimate holding company is Jangho Group Co., Ltd., a company incorporated in the People's Republic of China ("**PRC**") with its shares listed on the Shanghai Stock Exchange.

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

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

2. MATERIAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

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

Application of amendments to HKFRS Accounting Standards

In the current period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability

Except as described below, the application of the amendments to HKFRS Accounting Standards in the current period has no material impact on the Group's performance and financial positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2.1 Impacts on application of amendments

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability

The amendments specify when a currency is exchangeable into another currency and when it is not and how an entity estimates the spot exchange rate when a currency is not exchangeable. In addition, the amendments require disclosure of information that enables users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

3. REVENUE AND SEGMENT INFORMATION

The Group's revenue represents service revenue from provision of interior design services, interior decorating and furnishing design services and product design services, license fee revenue from product design services, and trading income from trading of interior decorative products.

An analysis of the Group's revenue for the six months period ended 30 June 2025 and 30 June 2024 is as follows:

	Six months period ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Service revenue	**137,181**	128,032
License fee revenue	**881**	742
Trading income	**56,530**	35,740
	194,592	164,514

The operating business units are identified based on internal reports of the Group that are regularly reviewed by the Company's chief operating decision maker, i.e. the executive directors, for the purpose of allocating resources to segments and assessing their performance.

Specifically, the Group's reportable segments under HKFRS 8 *Operating Segments* are as follows:

1. SLD (Steve Leung Design): Provision of interior design services and licensing arrangement under all "Steve Leung" related brands, which mainly focus on the residential market.

2. SLL (Steve Leung Lifestyle): Provision of interior decorating and furnishing design services and trading of interior decorative products under "Steve Leung" related brands, which mainly focus on the residential market.

3. JHD (Jangho Design): Provision of interior design services, interior decorating and furnishing design services and trading of interior decorative products under "Jangho" brand, which mainly focus on the hospitality and commercial projects in the PRC.

Segment information about these reportable and operating segments is presented as below. The prior period segment information for comparative purposes has been restated as a result of alteration to the presentation of the reportable segments, intended to enhance the reliability of the segment information.

Disaggregation of revenue from contracts with customers

	SLD *HK$'000*	**SLL** *HK$'000*	**JHD** *HK$'000*	**Total** *HK$'000*
Six months period ended 30 June 2025 (unaudited)				
Geographical markets				
Hong Kong	**13,279**	**970**	**–**	**14,249**
PRC	**94,515**	**54,349**	**22,040**	**170,904**
Other regions	**9,212**	**227**	**–**	**9,439**
	117,006	**55,546**	**22,040**	**194,592**
Timing of revenue recognition				
Over time				
Service revenue	**116,125**	**4,699**	**16,357**	**137,181**
At point in time				
License fee revenue	**881**	**–**	**–**	**881**
Trading income	**–**	**50,847**	**5,683**	**56,530**
	881	**50,847**	**5,683**	**57,411**
	117,006	**55,546**	**22,040**	**194,592**

	SLD *HK$'000*	SLL *HK$'000*	JHD *HK$'000*	Total *HK$'000*
Six months period ended 30 June 2024 (unaudited)				
Geographical markets				
Hong Kong	5,855	347	–	6,202
PRC	76,375	38,595	25,120	140,090
Other regions	17,581	641	–	18,222
	99,811	39,583	25,120	164,514
Timing of revenue recognition				
Over time				
Service revenue	99,069	5,613	23,350	128,032
At point in time				
License fee revenue	742	–	–	742
Trading income	–	33,970	1,770	35,740
	742	33,970	1,770	36,482
	99,811	39,583	25,120	164,514

Segment revenue and results

	SLD *HK$'000*	**SLL** *HK$'000*	**JHD** *HK$'000*	**Total** *HK$'000*
For the six months period ended 30 June 2025 (unaudited)				
Revenue				
Segment revenue	**119,675**	**57,760**	**22,757**	**200,192**
Inter-segment revenue	**(2,669)**	**(2,214)**	**(717)**	**(5,600)**
Segment revenue from external customers	**117,006**	**55,546**	**22,040**	**194,592**
Segment results	**12,703**	**5,897**	**(4,422)**	**14,178**
Corporate expenses				**(12,333)**
Other gains and losses				**874**
Other income				**2,325**
Finance costs				**(1,239)**
Profit before taxation				**3,805**

	SLD *HK$'000*	SLL *HK$'000*	JHD *HK$'000*	Total *HK$'000*
For the six months period ended 30 June 2024 (unaudited) (restated)				
Revenue				
Segment revenue	101,011	42,202	25,186	168,399
Inter-segment revenue	(1,200)	(2,619)	(66)	(3,885)
Segment revenue from external customers	99,811	39,583	25,120	164,514
Segment results	14,448	642	(4,732)	10,358
Corporate expenses				(11,030)
Other gains and losses				(2,937)
Other income				1,021
Finance costs				(2,000)
Loss before taxation				(4,588)

4. IMPAIRMENT LOSSES ON TRADE RECEIVABLES AND CONTRACT ASSETS UNDER EXPECTED CREDIT LOSS ("ECL") MODEL

	Six months period ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Net impairment losses recognised (reversed) in respect of		
— trade receivables	**5,251**	(4,527)
— contract assets	**4,542**	9,917
	9,793	5,390

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

5. INCOME TAX EXPENSE

	Six months period ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong Profits Tax	**–**	–
PRC Enterprise Income Tax	**3,025**	2,753
Overseas Corporate Income Tax	**14**	–
	3,039	2,753
Under (over) provision in prior years:		
Hong Kong Profits Tax	**–**	–
PRC Enterprise Income Tax	**21**	(5)
	21	(5)
Deferred taxation	**(226)**	38
	2,834	2,786

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

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

Taxation for overseas subsidiary is charged at the appropriate current rate of taxation ruling in the relevant jurisdiction.

Deferred tax for both periods mainly arose from temporary differences arising from accelerated tax depreciation, allowance for credit losses, tax losses and unrealised profits.

6. PROFIT (LOSS) FOR THE PERIOD

Profit (loss) for the period has been arrived at after charging (crediting):

	Six months period ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Amortisation of intangible assets		
— included in cost of sales	**87**	71
— included in administrative expenses	**101**	128
	188	199
Cost of inventories recognised as an expense	**33,713**	24,845
Depreciation of property, plant and equipment	**2,452**	2,263
Depreciation of right-of-use assets	**9,246**	9,935
Exchange (gain) loss, net	**(38)**	777
Interest income from banks	**(114)**	(155)
Interest on bank borrowings	**454**	1,144
Interest on lease liabilities	**785**	856
Gain on disposals of property, plant and equipment	**–**	(80)
Gain on lease termination	**(15)**	–
Gain on lease modification	**(821)**	–
Grants received from local government *(Note 1)*	**(26)**	(28)
PRC incentive rebates *(Note 2)*	**(296)**	(54)
Provision for litigations *(Note 3)*	**–**	2,240

Notes:

1. The amounts represent grants provided by the relevant PRC authorities to certain PRC subsidiaries of the Group. There were no other terms to the grants, the Group recognised the grants in other income when the grants received from the relevant PRC authorities.

2. The amounts represent incentive rebates for Individual Income Tax withholding in PRC and certain incentive to attract foreign investments from the relevant PRC local authorities in the form of incentive rebates in Tianjin, the PRC.

3. During the six months period ended 30 June 2024, the Group had encountered two legal disputes involving restricted bank balances. These disputes had been treated as follows:

   (i) A PRC subsidiary of the Group had a contractual dispute related to interior decorating and furnishing services provided to a client. The subsidiary was ordered by the Beijing Chaoyang District People's Court to compensate the client of approximately Renminbi ("**RMB**") 1,370,000. The case is currently under appeal proceedings at the No. 3 Intermediate People's Court of Beijing Municipality. In view of the ongoing proceedings, the Group has recognised a provision for this case, estimating the liability to be approximately RMB1,566,000 (equivalent to approximately HKD1,697,000) for the six months period ended 30 June 2024. As at 30 June 2025 and 31 December 2024, bank accounts totalling approximately RMB1,566,000 have been frozen due to the dispute.

   (ii) A PRC subsidiary of the Group had a labour dispute related to compensation to a former employee. The subsidiary was ordered by the Beijing Chaoyang District People's Court to compensate the former employee of approximately RMB1,360,000. The case is currently under appeal proceedings at the No. 3 Intermediate People's Court of Beijing Municipality. In view of the ongoing proceedings, the Group has recognised a provision for this case, estimating the liability to be approximately RMB501,000 (equivalent to approximately HKD543,000) for the six months period ended 30 June 2024. As at 30 June 2025 and 31 December 2024, bank accounts totalling approximately RMB501,000 have been frozen due to the dispute.

7. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share attributable to the owners of the Company is based on the following data:

	Six months period ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit (loss)		
Profit (loss) for the period attributable to owners of the Company for the purposes of basic and diluted earnings (loss) per share	**1,590**	(6,139)

	Six months period ended 30 June	
	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings (loss) per share	**1,141,401,000**	1,141,401,000

Diluted earnings per share for the six months period ended 30 June 2025 is the same as basic earnings per share as there is no potential dilutive ordinary shares in existence during the period presented.

The computation of diluted loss per share for the six months period ended 30 June 2024 did not assume the conversion of the Company's outstanding share options since their assumed exercise would result in a decrease in loss per share for the period.

8. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months period ended 30 June 2025, the Group acquired property, plant and equipment of HK$612,000 (six months period ended 30 June 2024: HK$1,596,000).

During the six months period ended 30 June 2025, the Group entered into new lease arrangements for the use of properties and office equipment ranging from 1 to 5 years and recognised right-of-use assets of HK$433,000 and lease liability of HK$433,000 on lease commencement. The Group early terminated a lease with the lease liability of HK$133,000, with a corresponding reduction in the right-of-use asset of HK$118,000. The Group modified three leases with aggregate the lease liabilities of HK$2,800,000, resulting in a corresponding adjustment to the right-of-use assets for HK$3,621,000.

During the six months period ended 30 June 2024, the Group did not enter into new lease arrangements.

9. TRADE RECEIVABLES

	At 30 June 2025 *HK$'000* (Unaudited)	At 31 December 2024 *HK$'000* (Audited)
Trade receivables	**184,854**	168,559
Less: allowance for credit losses	**(63,175)**	(58,672)
Trade receivables (net carrying amount)	**121,679**	109,887
Unbilled receivables *(Note)*	**68,107**	57,779
Less: allowance for credit losses	**(30,867)**	(28,936)
Unbilled receivables (net carrying amount)	**37,240**	28,843
	158,919	138,730

Note: Unbilled receivables primarily relate to the Group's unconditional right to consideration for work completed in achieving specified milestones as stipulated in the contracts but the related invoices have not yet been issued as at the period end.

Included in the carrying amount of trade receivables as at 30 June 2025 is an amount of HK$6,374,000 (31 December 2024: HK$7,278,000) due from related parties controlled by a controlling shareholder of the Company.

The following is an ageing analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date at the end of each reporting period.

	At 30 June 2025 *HK$'000* (Unaudited)	At 31 December 2024 *HK$'000* (Audited)
0 to 30 days	**44,709**	50,546
31 to 90 days	**21,112**	6,162
91 to 180 days	**7,406**	8,875
181 days to 1 year	**18,024**	7,461
Over 1 year	**30,428**	36,843
	121,679	109,887

There is no credit period given on billing for clients of the Group.

As at 30 June 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK$121,679,000 (31 December 2024: HK$109,887,000) which are past due as at the reporting date. Out of the past due balances, HK$55,858,000 (31 December 2024: HK$53,179,000) has been past due more than 90 days and is not considered as in default since the amounts are still considered as recoverable based on historical experience and forward-looking estimates. As at 30 June 2025, the Group's trade receivables of HK$9,114,000 (31 December 2024: HK$9,654,000) are collateralised by certain PRC properties of clients, of which HK$7,136,000 (31 December 2024: HK$7,945,000) are related to debtors with balances due over 1 year.

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

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 30 June 2025	At 31 December 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Other receivables	**6,582**	3,667
Value-added tax recoverable	**2,152**	1,919
Prepayments of expenses	**2,291**	3,059
Rental deposits	**5,308**	5,379
Other deposits	**509**	743
	16,842	14,767
Analysed as:		
Current	**11,534**	9,390
Non-current — Rental deposits	**5,308**	5,377
	16,842	14,767

Including in the carrying amount of other receivables as at 30 June 2025 is an amount of HK$829,000 (31 December 2024: Nil), which is unsecured, interest-free and repayable on demand, due from a related party controlled by a controlling shareholder of the Company.

11. CONTRACT ASSETS AND CONTRACT LIABILITIES

	At 30 June 2025	At 31 December 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Contract assets		
Interior design services	**126,314**	124,798
Interior decorating and furnishing services	**6,160**	8,692
Less: allowance for credit losses	**(48,045)**	(43,167)
	84,429	90,323

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance in satisfying respective performance obligations as at the reporting date in respect of the design services. The contract assets are transferred to trade receivables when the rights become unconditional, which is typically at the time the Group achieve specified milestones as stipulated in the contracts.

Included in the carrying amount of contract assets as at 30 June 2025 is an amount of HK$1,102,000 (31 December 2024: HK$698,000) from related parties controlled by a controlling shareholder of the Company.

	At 30 June 2025 ***HK$'000*** **(Unaudited)**	At 31 December 2024 *HK$'000* (Audited)
Contract liabilities		
Interior design services	**6,819**	9,253
Interior decorating and furnishing services	**11,514**	10,131
	18,333	19,384

The contract liabilities represent the Group's obligation to transfer performance obligation to clients for which the Group has received considerations from the clients.

12. RESTRICTED BANK BALANCES

As at 30 June 2025, the restricted bank balances amounted to approximately HK$2,265,000 (31 December 2024: HK$2,720,000), which was due to legal disputes, details of which are set out in note 6.

13. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED CHARGES

The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	At 30 June 2025 ***HK$'000*** **(Unaudited)**	At 31 December 2024 *HK$'000* (Audited)
0 to 180 days	**30,194**	36,893
Over 180 days	**23,749**	13,732
	53,943	50,625

The following is the analysis of other payables and accrued charges at the end of each reporting period:

	At 30 June 2025 *HK$'000* (Unaudited)	At 31 December 2024 *HK$'000* (Audited)
Accrued staff benefits	**7,074**	10,191
Other payables and accrued charges	**4,781**	7,809
Provision for litigations *(Note 6)*	**2,265**	2,242
	14,120	20,242

14. BANK BORROWINGS

	At 30 June 2025 *HK$'000* (Unaudited)	At 31 December 2024 *HK$'000* (Audited)
Unsecured	**5,000**	20,000
The carrying amounts of the bank loans that contain a repayment on demand clause (shown under current liabilities) and the maturity analysis based on the scheduled repayment dates set out in the loan agreements are within one year	**5,000**	20,000

As at 30 June 2025, included in the Group's borrowings are variable-rate borrowings of HK$5,000,000 (31 December 2024: HK$20,000,000) carrying interest of 3.00% to 3.75% (31 December 2024: ranging from 3.00% to 3.75%) per annum over Hong Kong Interbank Offered Rate.

15. SHARE CAPITAL

	Number of shares	*HK$*
Ordinary shares of the Company of HK$0.01 each		
Authorised		
At 1 January 2024 (audited), 31 December 2024 (audited) and 30 June 2025 (unaudited)	4,000,000,000	40,000,000
Issued and fully paid		
At 1 January 2024 (audited), 31 December 2024 (audited) and 30 June 2025 (unaudited)	1,141,401,000	11,414,010

16. CONTINGENT LIABILITIES

During the six months period ended 30 June 2025, a client filed a lawsuit against a PRC subsidiary of the Group in relation to a contractual dispute involving the provision of interior design services, which is currently in the litigation stage. Since the legal proceeding is still at early stages, it is impractical to assess the potential impact to the Group. A sum of approximately RMB308,000 (equivalent to approximately HK$338,000) in a bank account of a PRC subsidiary of the Group has been frozen pursuant to a court order on pre-litigation property attachment in July 2025. A contingent liability of approximately RMB308,000 (equivalent to approximately HK$338,000) has been noted up to the date of this condensed consolidated financial statements.

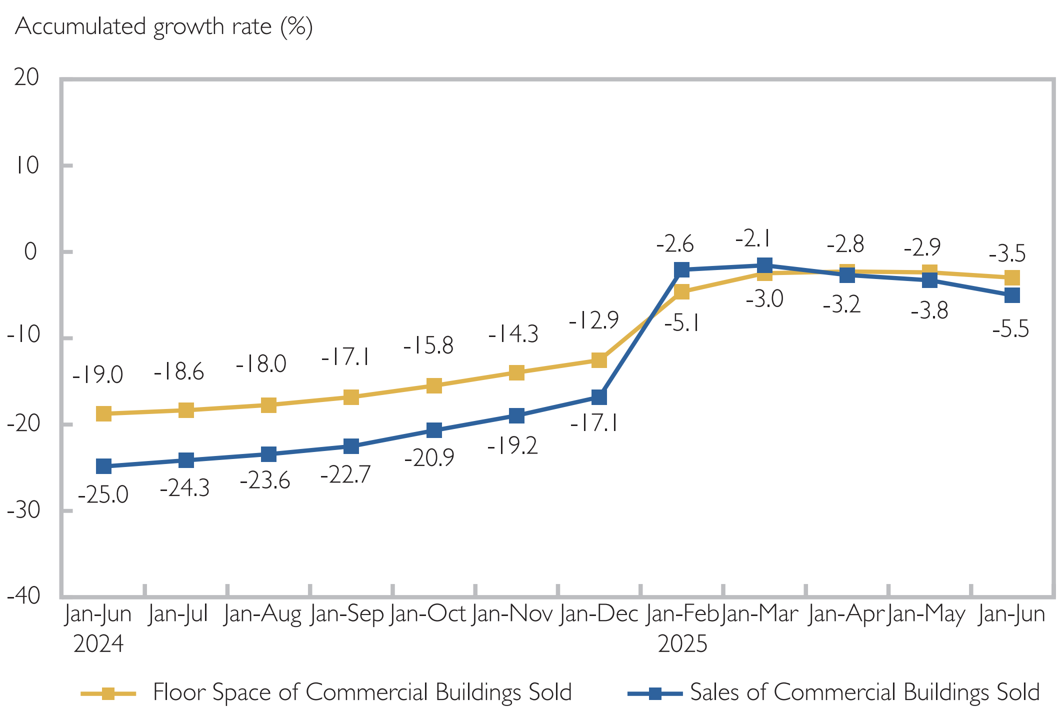
Market Overview

In the first half of 2025, the global economy maintained stable growth amid multiple pressures, though overall performance remained lackluster. According to the International Monetary Fund (IMF)'s World Economic Outlook released in April 2025, global economic growth was projected to be a modest 2.8% expansion for 2025, which was slightly downgraded from January, reflecting persistently weak recovery momentum.

Dramatically volatile trade policies emerged as a critical factor shaping the global economic landscape. Following Donald Trump's return to the White House in January 2025, the United States of America (the "**U.S.**") rapidly escalated trade protectionist measures by implementing a new "Reciprocal Tariffs 2.0" policy. This move triggered an accelerated global supply chain restructuring, along with sharp exchange rate fluctuations and significant capital flow adjustments. In June 2025, a World Bank report noted that intensifying trade tensions and expanding policy uncertainty had further dampened global economic growth.

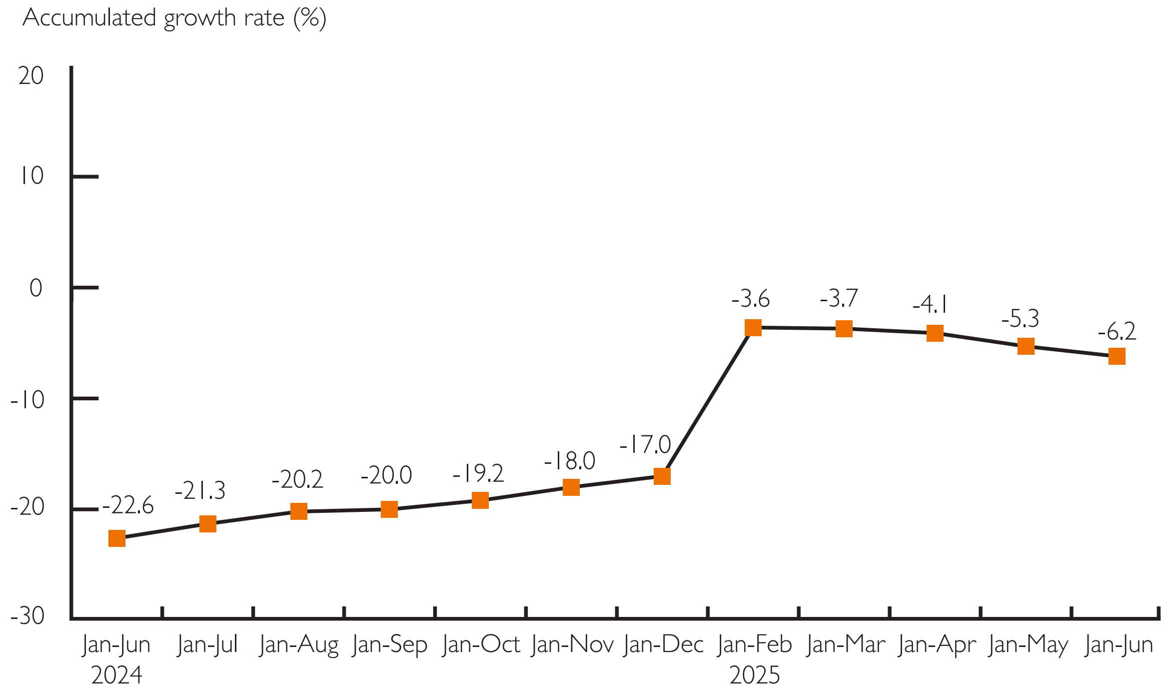
Meanwhile, the PRC property market continued on a path of gradual recovery. Data released by the National Bureau of Statistics of China (the "**NBS**") reveals that, the growth rate of floor space and newly built commercial buildings sold nationwide declined by 3.5% for the Period compared with the Previous Period, with the rate of decline narrowed significantly by 15.5%, signalling improving market conditions. Although the growth rate of investment funds for real estate development enterprises remained negative over the past 12 months, it has rebounded substantially from the trough in early 2024, indicating a gradual improvement in financial conditions.

Growth Rate of Floor Space and Newly Built Commercial Buildings Sold



Source: the NBS

Growth Rate of Investment Funds for Real Estate Development Enterprises



Source: the NBS

To stabilise the property market, central and local governments implemented a series of intensive and high-frequency measures targeting three key objectives: market stabilisation, risk prevention, and transformation promotion. “Market stabilisation” focused on stimulating demand for existing housing through urban renewal projects, expanding affordable housing supply, and promoting the renovation of aging communities. “Risk prevention” prioritised optimising the financing environment for existing commercial housing, improving the “white list” mechanism, and strengthening oversight of pre-sale funds to prevent risk contagion. “Transformation promotion” aimed to shift the industry from a high-leverage, high-turnover model to a high-quality development model, encouraging industry upgrades and transformation through the provision of high-quality supply. The Committee of the Political Bureau of the Central Committee of the Communist Party of China reaffirmed its commitment to reinforcing market stability during its meeting.

The central government has continued to introduce accommodative policies to boost market confidence, actively implementing the specific and proactive economic support policy to reverse market fundamentals. Emphasising tailored measures for different cities and promoting a “good cities and good housing” development model, focusing on two major directions, activating demand and optimising supply while introducing policies to encourage “good housing”. Although third- and fourth-tier cities continue to undergo market adjustments, first-tier cities have shown relatively stronger performance, indicating initial signs of policy effectiveness.

Overall Performance and Business Review

Amid challenges arising from an uncertain macroeconomic environment and heightened volatility in trade policy, the Group's newly awarded contract sum remained stable, experiencing only a slight decline of approximately 1.8% during the Period compared to the Previous Period.

The Group demonstrated strong resilience by flexibly adjusting its development strategies and leveraging its solid business foundation. We actively seised market opportunities and realigned our business operations layout.

While consolidating its core business, the Group proactively explored overseas markets and other business sectors. Diversified development strategy has laid a solid foundation for long-term growth. Through continuous optimisation of its business structure and enhanced refined management, the Group successfully turned losses into profits during the Period.

Total revenue of the Group increased by approximately 18.3% to approximately HK$194.6 million during the Period (Previous Period: approximately HK$164.5 million). Gross profit of the Group increased by approximately 14.2% to HK$73.0 million during the Period (Previous Period: approximately HK$63.9 million). However, due to the regression of JHD business segment, the overall gross profit margin decreased slightly from approximately 38.8% in the Previous Period to approximately 37.5% for the Period. Driven by the improvement in gross profit, an increase in other gains and income, and a reduction in finance costs resulting from the lower average bank borrowings during the Period, the Group achieved a significant improvement in the condensed consolidated results for the Period, recording a net profit of approximately HK$1.0 million (Previous Period: net loss of approximately HK$7.4 million).

As a well-established, reputable, and upscale interior design company, maintaining a stable project pipeline provided a firm foundation during the Period. This stability also reflects our ability to secure client trust through unwavering commitment to quality, even in challenging market conditions. As at 30 June 2025, the aggregate remaining contract sum of the Group was approximately HK$538.5 million (31 December 2024: approximately HK$507.1 million).

The cash position and liquidity of the Group remained positive. As at 30 June 2025, the bank balances and cash of the Group were approximately HK$112.7 million (31 December 2024: approximately HK$140.9 million) and the current ratio remained at approximately 2.8 (31 December 2024: approximately 2.6). The Group's operating cash flow position improved significantly during the Period, with the net operating cash outflow narrowing by 83.7% to approximately HK$4.3 million (Previous Period: approximately HK$26.4 million). This positive shift was primarily driven by increased revenue and successful debt recovery initiatives.

On the leverage front, the gearing ratio (net debt excluding lease liabilities arising from the adoption of HKFRS 16 to equity attributable to owners of the Company) was approximately 1.6% (31 December 2024: approximately 6.6%). The Group had net cash (bank balances and cash less total debt) of approximately HK$107.7 million as at 30 June 2025 (31 December 2024: approximately HK$120.9 million).

The following table sets forth the Group's remaining contract sum and its movement during the periods indicated:

	For the six months period ended 30 June 2025				For the six months period ended 30 June 2024			
	SLD	**SLL**	**JHD**	**Total**	SLD	SLL	JHD	Total
	HK$ million	***HK$ million***	***HK$ million***	***HK$ million***	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Remaining contract sum at the beginning of the period	**285.8**	**146.4**	**74.9**	**507.1**	250.6	114.5	89.0	454.1
Add: New contract sum awarded during the period	**132.7**	**115.4**	**39.0**	**287.1**	143.4	110.9	38.0	292.3
Less: VAT for newly awarded contracts	**(6.6)**	**(12.7)**	**(2.5)**	**(21.8)**	(7.0)	(12.2)	(2.2)	(21.4)
Less: Revenue recognised during the period	**(116.1)**	**(55.5)**	**(22.1)**	**(193.7)**	(99.1)	(39.6)	(25.1)	(163.8)
Less: Variation order	**(16.0)**	**(7.1)**	**(25.4)**	**(48.5)**	(14.9)	(5.1)	(0.6)	(20.6)
Add: Exchange realignments	**4.8**	**2.7**	**0.8**	**8.3**	(1.7)	(0.5)	(0.1)	(2.3)
Remaining contract sum at the end of the period	**284.6**	**189.2**	**64.7**	**538.5**	271.3	168.0	99.0	538.3

The remaining contract sum for SLD and JHD reduced from approximately HK$285.8 million and HK$74.9 million as at 31 December 2024 to approximately HK$284.6 million and HK$64.7 million as at 30 June 2025, respectively. In addition to the reduced new contract sum awarded, the increase in negative variation orders arising from changes in sales strategies and marketing plans by our clients also attributed to the decline in remaining contract sum.

The remaining contract sum of SLL increased from approximately HK$146.4 million as at 31 December 2024 to approximately HK$189.2 million as at 30 June 2025, reflecting growing client recognition following several years of development. The emerging synergy with the SLD brand has also begun to contribute positively to this momentum.

The following table sets forth the Group's new contract sum by brand and types of projects awarded during the periods indicated:

	For the six months period ended 30 June 2025				For the six months period ended 30 June 2024			
	SLD	**SLL**	**JHD**	**Total**	SLD	SLL	JHD	Total
	HK$ million	***HK$ million***	***HK$ million***	***HK$ million***	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
New contract sum awarded during the period								
Residential project	**105.1**	**103.9**	**7.6**	**216.6**	109.5	109.2	8.6	227.3
Private residence project	**4.3**	**1.6**	**–**	**5.9**	12.5	0.1	–	12.6
Hospitality project	**9.7**	**0.1**	**14.9**	**24.7**	10.6	1.3	10.9	22.8
Commercial project	**0.8**	**9.5**	**14.6**	**24.9**	10.8	0.3	16.7	27.8
*Others	**12.8**	**0.3**	**1.9**	**15.0**	–	–	1.8	1.8
Total	**132.7**	**115.4**	**39.0**	**287.1**	143.4	110.9	38.0	292.3

* Others mainly consists of mixed-use development projects.

The new contract sum awarded slightly dropped by approximately 1.8% from approximately HK$292.3 million for the Previous Period to approximately HK$287.1 million for the Period. The decrease was mainly contributed from the intense competition in the residential and private residence interior design market.

The following table sets forth the breakdown of remaining contract sum by brand and types of projects as at the dates indicated:

	As at 30 June 2025					As at 31 December 2024				
	SLD	**SLL**	**JHD**	**Total**	**% of total remaining contract sum**	SLD	SLL	JHD	Total	% of total remaining contract sum
	HK$ million	***HK$ million***	***HK$ million***	***HK$ million***	***%***	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*%*
Remaining contract sum										
Residential project	**215.6**	**175.1**	**8.6**	**399.3**	**74.1**	201.9	142.2	16.4	360.5	71.1
Private residence project	**34.1**	**1.8**	**-**	**35.9**	**6.7**	45.0	1.5	–	46.5	9.2
Hospitality project	**8.7**	**0.7**	**20.5**	**29.9**	**5.5**	15.1	1.2	18.3	34.6	6.8
Commercial project	**12.1**	**10.4**	**26.3**	**48.8**	**9.1**	12.1	0.1	27.2	39.4	7.8
*Others	**14.1**	**1.2**	**9.3**	**24.6**	**4.6**	11.7	1.4	13.0	26.1	5.1
Total	**284.6**	**189.2**	**64.7**	**538.5**	**100.0**	285.8	146.4	74.9	507.1	100.0

* Others mainly consists of mixed-use development projects.

The following table sets forth the breakdown of revenue by brand and types of projects during the periods indicated:

	For the six months period ended 30 June 2025					For the six months period ended 30 June 2024				
	SLD	**SLL**	**JHD**	**Total**	**% of total revenue**	SLD	SLL	JHD	Total	% of total revenue
	HK$ million	***HK$ million***	***HK$ million***	***HK$ million***	***%***	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*%*
Revenue										
Residential project	**85.4**	**53.9**	**5.7**	**145.0**	**74.5**	58.8	37.4	4.8	101.0	61.4
Private residence project	**13.5**	**0.9**	**-**	**14.4**	**7.4**	5.5	0.7	–	6.2	3.8
Hospitality project	**11.1**	**0.6**	**6.0**	**17.7**	**9.1**	23.1	0.8	6.9	30.8	18.7
Commercial project	**1.0**	**-**	**9.7**	**10.7**	**5.5**	5.5	–	11.9	17.4	10.6
*Others	**6.0**	**0.1**	**0.7**	**6.8**	**3.5**	6.9	0.7	1.5	9.1	5.5
Total	**117.0**	**55.5**	**22.1**	**194.6**	**100.0**	99.8	39.6	25.1	164.5	100.0

* Others mainly consists of mixed-use development projects.

As mentioned above, the Group's total revenue increased by approximately 18.3% during the Period. The increase was mainly resulted from the service revenue from the provision of interior design services and interior decorating and furnishing design services during the Period. Detailed performance of each segment was analysed as below.

SLD

SLD (Steve Leung Design) segment includes the "Steve Leung" brand, such as SLD, SLC, SLH, SL2.0, SLA, SLW, etc. All these brands cover the provision of interior design and product design for different project types and natures. This segment is also the major business segment of the Group.

During the Period, this segment maintained its focus on the residential project sector. The entire SLD brand contributed approximately 60.1% to the Group's total revenue (Previous Period: approximately 60.7%). Segment revenue increased from approximately HK$99.8 million for the Previous Period to approximately HK$117.0 million for the Period, representing an increase of approximately 17.2%. The increase in revenue was mainly attributable to the growth in the residential and private residence project sectors, driven by advancements in project progress. This growth reflected the overall upward trend in investment and sales volume of the property market in the first half of 2025. In addition, there has been a gradual recovery in market confidence across first- and second-tier cities in the PRC. As a result, property developers have demonstrated greater willingness to launch new residential development projects.

Another important component of this segment is the provision of and the licensing arrangement for product design services, which adds value to the overall interior design, decorating, and furnishing layout of projects, hence enhancing client satisfaction. This is one of the Group's important marketing and branding strategies. During the Period, revenue generated from license fee amounted to approximately HK$0.9 million (Previous Period: approximately HK$0.7 million).

As at 30 June 2025, this business segment had a stable remaining contract sum of approximately HK$284.6 million (31 December 2024: approximately HK$285.8 million), which is expected to be realised based on the stages of completion and the general progress of projects during the second half of 2025 through 2027.

SLL

SLL (Steve Leung Lifestyle) segment represents another "Steve Leung" brand that focuses on the provision of interior decorating and furnishing design services and trading of interior decorative products. This segment complements with the interior design services provided by the Group under SLD brand to further optimise our projects. Revenue for this segment was largely contributed by the trading of interior decorative products, which would be recognised upon delivery of interior decorative products to the physical sites.

This segment contributed approximately 28.5% to the Group's total revenue for the Period (Previous Period: approximately 24.0%). SLL maintained its focus on the residential project sector during the Period. Revenue of SLL recorded a significant increase of approximately 40.2% to approximately HK$55.5 million during the Period (Previous Period: approximately HK$39.6 million). This growth was primarily driven by the rebound in the PRC property market, which commenced in first- and second-tier cities. Property developers in these regions have shown increased confidence for launching high-end residential development projects in prime urban locations, which are well aligned with SLL's strategic focus and competitive strengths.

As at 30 June 2025, this business segment had a remaining contract sum of approximately HK$189.2 million (31 December 2024: approximately HK$146.4 million), which is expected to be realised based on the stages of completion of projects and the delivery of interior decorative products.

JHD (Jangho Design) segment specialises in the provision of interior design services, interior decorating and furnishing design services and trading of interior decorative products under the "Jangho" brand which mainly focuses on hospitality and commercial project sectors in the PRC.

JHD contributed approximately 11.4% to the Group's total revenue for the Period (Previous Period: approximately 15.3%), with segment revenue decreased by approximately 12.0%, from approximately HK$25.1 million for the Previous Period to approximately HK$22.1 million for the Period. The decline was primarily attributable to subdued domestic demand in the PRC's hospitality and commercial real estate sectors, which exerted downward pressure on the segment's overall performance.

As at 30 June 2025, this business segment had a remaining contract sum of approximately HK$64.7 million (31 December 2024: approximately HK$74.9 million), which is expected to be realised based on the stages of completion, the general progress of projects, and the delivery of interior decorative products during the second half of 2025 through 2027.

Financial Review

Revenue and Gross Profit

During the Period, the Group's revenue increased by approximately HK$30.1 million or 18.3%, from approximately HK$164.5 million for the Previous Period to approximately HK$194.6 million for the Period. The increase in total revenue was mainly contributed by the increase in revenue from residential and private residence project sectors as a result of the recovery of the PRC's property market.

The Group's revenue can be classified into three major natures, namely (i) service revenue from provision of interior design services, interior decorating and furnishing design services and product design services; (ii) trading income from trading of interior decorating products; and (iii) license fee revenue from product design services.

The following table sets forth the Group's breakdown of revenue and gross profit by brand and nature during the periods indicated:

Revenue and Gross Profit by Brand and Nature

	For the six months period ended 30 June 2025				For the six months period ended 30 June 2024			
	SLD	**SLL**	**JHD**	**Total**	SLD	SLL	JHD	Total
	HK$ million	***HK$ million***	***HK$ million***	***HK$ million***	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Service revenue	**116.1**	**4.7**	**16.4**	**137.2**	99.1	5.6	23.3	128.0
License fee revenue	**0.9**	**–**	**–**	**0.9**	0.7	–	–	0.7
Trading income	**–**	**50.8**	**5.7**	**56.5**	–	34.0	1.8	35.8
Total Revenue	**117.0**	**55.5**	**22.1**	**194.6**	99.8	39.6	25.1	164.5
Gross Profit	**49.1**	**21.0**	**2.9**	**73.0**	45.4	12.2	6.3	63.9
Gross Profit Margin	**42.0%**	**37.8%**	**13.1%**	**37.5%**	45.5%	30.8%	25.1%	38.8%

Service revenue increased from approximately HK$128.0 million for the Previous Period to approximately HK$137.2 million for the Period. The increase in service revenue is mainly attributable to the improving performance in the residential and private residence projects.

The Group's gross profit increased by approximately HK$9.1 million or 14.2%, from approximately HK$63.9 million for the Previous Period to approximately HK$73.0 million for the Period, while gross profit margin decreased to approximately 37.5% (Previous Period: approximately 38.8%). The decrease was primarily due to the downturn of JHD segment which is affected by the slump of the PRC's hospitality and commercial property market during the Period.

Other Gains and Losses

The Group recorded other gains of approximately HK$0.9 million for the Period as compared with other losses of approximately HK$2.9 million for the Previous Period. The increase was primarily due to the reduction of provision for litigations during the Period. For details, please refer to note 6 to the condensed consolidated financial statements of this announcement.

Impairment Losses on Trade Receivables and Contract Assets Under Expected Credit Loss ("ECL") Model

Impairment losses on trade receivables and contract assets for the Period were approximately HK$9.8 million (Previous Period: approximately HK$5.4 million). The increase was mainly attributable to the higher trade receivables and contract assets balances assessed under the ECL model resulting from the growth in revenue. For details, please refer to the section headed "Credit Risk Exposure" of this announcement.

Other Income

Other income of the Group mainly includes the membership fee income, government grants and interest income from bank deposits. The increase in other income from approximately HK$1.0 million for the Previous Period to approximately HK$2.3 million for the Period was mainly attributable to the increase in membership fee income arising from the "Design Hub" which is a design-driven social community space that utilises unused office area of the Group. It aims to leverage the Group's design resources and infrastructure to foster a design community for participants from creative and design related industries to connect, collaborate and share.

Selling Expenses

Selling expenses of the Group increased from approximately HK$7.7 million for the Previous Period to approximately HK$10.2 million for the Period, representing an increase of approximately 32.5%. The increase was mainly due to the increase in business consultancy fees resulted from the revenue growth and the increase in staff resources and manpower in business developing during the Period.

Administrative Expenses

Administrative expenses of the Group remained stable at approximately HK$51.2 million for the Period, compared to approximately HK$51.5 million for the Previous Period. This stability was supported by the Group's ongoing cost control measurement, including the retention of existing back-office staffing levels.

Finance Costs

Finance costs of the Group comprised interest on lease liabilities and the bank borrowings for financing the Group's operations. Finance costs decreased from approximately HK$2.0 million for the Previous Period to approximately HK$1.2 million for the Period. The decrease was mainly attributable to the decrease in average bank borrowings during the Period.

Profit (Loss) for the Period

As a result of the foregoing, the Group recorded a significant improvement from a net loss of approximately HK$7.4 million for the Previous Period to a net profit of approximately HK$1.0 million for the Period.

Basic Earnings (Loss) Per Share

The Company's basic earnings per share for the Period was approximately HK0.14 cents (Previous Period: approximately HK0.54 cents of basic loss per share).

Outlook and Prospects

Data from the National Macroeconomic Monitoring and Forecasting System indicated that the PRC's Gross Domestic Product (GDP) grew by 5.3% year-on-year in the first half of 2025, aligning with market expectations and signalling sustained economic recovery. However, escalating geopolitical tensions, heightened uncertainty in global trade policies, and fragile domestic consumption growth present potential risks to macro-financial stability. Amid the intertwined challenges, consumer confidence remained under pressure, and the overall business environment requires cautious navigation.

Despite external uncertainties, the Group has adhered to a strategy of steady progress while actively expanding into other business segments. We continue to expand our presence in the high-end interior design services sector and remain committed to exploring diversified development opportunities. During the Period, the Group actively broadened the scope of its design services, creating more projects with iconic and cultural value. Meanwhile, we explored cross-industry collaborations to develop innovative design products and service solutions to meet the market's diverse demands.

To further strengthen its regional competitive advantage, the Group will focus on three strategic pillars: "Rejuvenation, Diversification, Globalisation", transforming the Group into a multifaceted lifestyle brand that transcends traditional boundaries. The vision will be realised through merit-based talent acquisition and brand rejuvenation; the Group plans to establish overseas footholds, assembling multicultural professional design teams to target high-potential markets across Southeast Asia and the Middle East. In early 2025, the Group formally launched a new brand in Milan, established in collaboration with an emerging Italian designer. This milestone not only signifies a major step forward in the Company's strategic expansion into the European market, but also serves as a new platform for Sino-European cultural and design exchange. This strategic partnership is anticipated to significantly strengthen the Group's presence and influence across Milan and the broader European region, further solidifying the Group's competitive standing in the fast-evolving global marketplace. In addition, the Group will continue to optimise its cost control measures and resource allocation efficiency to enhance organisational resilience and risk resistance, enabling a stable response to economic cycle fluctuations.

Looking ahead, the Group will fully leverage its industry experience to explore new business opportunities. By upholding our professional standards and embracing innovation, we will stay attuned to market trends while continuously sharpening our core competitiveness to deliver exceptional value to our clients and generate sustainable long-term returns for the shareholders of the Company (the "**Shareholders**").

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity, Financial Resources and Capital Structure

The management and control of the Group's financial, capital management and external financing functions are centralised at the headquarters in Hong Kong. The Group has been adhering to the principle of prudent financial management in order to minimise financial and operational risks. The Group mainly relies on internally generated funds and bank borrowings to finance its operations and expansion.

As at 30 June 2025, the Group's total debt (representing total interest-bearing borrowings excluding lease liabilities arising from the adoption of HKFRS 16) to total asset ratio was approximately 1.0% (31 December 2024: approximately 4.0%). The gearing ratio (net debt excluding lease liabilities arising from the adoption of HKFRS 16 to equity attributable to owners of the Company) was approximately 1.6% (31 December 2024: approximately 6.6%). The Group had net cash (bank balances and cash less total debt) of approximately HK$107.7 million as at 30 June 2025 (31 December 2024: approximately HK$120.9 million).

The bank borrowings of approximately HK$5.0 million as at 30 June 2025 (31 December 2024: approximately HK$20.0 million) were unsecured and guaranteed by the Company. No bank borrowings were secured by pledged bank deposits. Details are disclosed in note 14 to the condensed consolidated financial statements of this announcement. Further costs for operations and expansion will be partially financed by unutilised bank facilities. As at 30 June 2025 and up to the date of this announcement, the bank borrowings were mainly for financing the Group's daily operation.

The liquidity of the Group maintained stable as the current ratio (current assets/current liabilities) of the Group as at 30 June 2025 was approximately 2.8 (31 December 2024: approximately 2.6). The Group also has sufficient committed and unutilised loan and working capital facility and guarantee facilities to meet the needs of the Group's business development. The Group will cautiously seek development opportunities with a view to balancing the risk and opportunity in maximising Shareholders' value.

As at 30 June 2025, the share capital and equity attributable to owners of the Company amounted to approximately HK$11.4 million (31 December 2024: approximately HK$11.4 million) and approximately HK$308.3 million (31 December 2024: approximately HK$303.3 million), respectively.

Pledge of Assets and Restricted Bank Balances

No assets were pledged as at 30 June 2025 and 31 December 2024.

As at 30 June 2025, there were restricted bank balances of approximately HK$2.3 million (31 December 2024: approximately HK$2.7 million) which were due to legal disputes in the PRC. For details, please refer to notes 6, 12, and 16 to the condensed consolidated financial statements of this announcement.

Contingent Liabilities and Capital Commitments

During the Period, a client filed a lawsuit against a PRC subsidiary of the Group in relation to a contractual dispute involving the provision of interior design services, which is currently in the litigation stage. Since the legal proceeding is still at early stages, it is impractical to assess the potential impact to the Group. A sum of approximately Renminbi ("**RMB**") 308,000 (equivalent to approximately HK$338,000) in a bank account of a PRC subsidiary of the Group has been frozen pursuant to a court order on pre-litigation property attachment in July 2025. A contingent liability of approximately RMB308,000 (equivalent to approximately HK$338,000) has been noted up to the date of this announcement.

In 2024, the Group had a contingent liability of approximately RMB450,000 (equivalent to approximately HK$486,000) arising from a contractual dispute related to the provision of construction drawing services. A lawsuit was filed against a PRC subsidiary of the Group in November 2024. Pursuant to a court order issued in January 2025, a sum of approximately RMB450,000 (equivalent to approximately HK$486,000) held in the bank account of the PRC subsidiary was frozen. The case was fully settled in May 2025, and the frozen bank balance was subsequently released in June 2025.

The Group did not have any significant capital commitments as at 30 June 2025 and 31 December 2024.

Events After The Reporting Period

Except for the event disclosed in the section headed "Contingent Liabilities and Capital Commitments" of this announcement, there are no significant events subsequent to 30 June 2025 and up to the date of this announcement which may materially affect the Group's operating and financial performance.

Exposure to Fluctuations in Exchange Rates and Interest Rates and Corresponding Hedging Arrangements

The Group's bank borrowings as at 30 June 2025 were in Hong Kong dollars and have been made at floating rates. The Group operates in various regions under different foreign currencies, including RMB and the U.S. Dollar. The exchange rate of the U.S. Dollar was relatively stable while that of RMB was more volatile during the Period. The Group currently has no hedging arrangements for foreign currencies or interest rates. The Group reviews the currency exchange risks regularly and closely monitors the fluctuation of foreign currencies. The Group will make proper adjustments and consider hedging arrangements if necessary.

Credit Risk Exposure

The Group's credit risk primarily arises from trade receivables and contract assets. Despite the Group's major clients consist of institutional organisations and reputable property developers, credit risk remains at a high level. While the PRC property market has shown the sign of recovery, a notable rebound has yet to materialise.

The real estate market has demonstrated signs of stabilisation since the fourth quarter of 2024, driven by a series of policy measures that have gradually bolstered market confidence. The Real Estate Prosperity Index released by the NBS exhibited a steady upward trend, indicating a steady improvement in market sentiment steadily improved. This positive trend has been underpinned by persistent demand and reinforced by ongoing policy interventions.

Amid the market's transition from downturn to stabilisation, the Group has reinforced its business relationships with clients with strong financial performance and reliable repayment ability, such as state-owned enterprises.

The Group has adopted prudent credit policies to deal with credit risk exposure. The Group conducts ongoing credit evaluation of the financial conditions of its clients and implement monitoring procedures to ensure timely follow-up actions are taken to recover overdue debts. Although the Group generally does not grant any credit period to clients, exceptions may be made for specific clients, with credit terms determined on a case-by-case basis. The Group performs a monthly review on ageing periods of receivables and project progress, and undertakes debts recovery actions for long-aged debts or slow-moving projects unless there is reasonable and substantiated information supporting a decision not to proceed with such actions. The Group will also actively seek collaterals for trade receivables from client groups with significantly increased credit risk or credit-impaired.

The Group reviews the recoverable amount of trade receivables and contract assets on a collective basis other than clients with different historical loss patterns or credit-impaired which are reviewed individually, so as to ensure that adequate impairment losses would be made for irrecoverable amounts. In the impairment loss assessment, the Group takes into account the characteristics and credit risks of different clients, ageing analysis, historical and subsequent settlement, any litigations or business disputes with clients, and other observable changes in economic conditions that correlate with default on receivables. By reference to historical settlement record, normally it takes approximately 3 years for the Group to collect its outstanding debts. Despite a seemingly longer recovery period, in general, the Group can subsequently collect and/or realise most of the trade receivables and contract assets through the Group's debt collection mechanism.

Due to supportive policies from the PRC central government, the financing pressure on the PRC property developers has gradually eased. According to data from the People's Bank of China, at the end of the second quarter of 2025, the balance of real estate development loans recorded as RMB13.81 trillion, reflecting a year-on-year increase of 0.3%. In the first half of 2025, the balance rose by RMB292.6 billion from the end of 2024. This development has positively impacted the progress of the real estate projects, thereby increasing liquidity in the industry and benefiting the Group's cash collection.

As at 30 June 2025, trade receivables (in gross amount) amounted to approximately HK$253.0 million (31 December 2024: approximately HK$226.3 million), increased by approximately HK$26.7 million. The increase in trade receivables was mainly resulted from the growth of revenue, which also led to the increase in the accumulated allowance to approximately HK$94.0 million (31 December 2024: approximately HK$87.6 million) and average loss rate of trade receivables to approximately 37.2% (31 December 2024: approximately 38.7%).

As at 30 June 2025, contract assets (in gross amount) amounted to approximately HK$132.5 million (31 December 2024: approximately HK$133.5 million). The accumulated allowance for credit losses for contracts assets increased to approximately HK$48.0 million (31 December 2024: approximately HK$43.2 million) and the average loss rate also increased to approximately 36.2% (31 December 2024: approximately 32.4%).

As at 30 June 2025, the overall accumulated allowance for credit losses was approximately HK$142.0 million (31 December 2024: approximately HK$130.8 million), and the average loss rate was approximately 36.8% (31 December 2024: approximately 36.4%), which are similar to 31 December 2024. As of the date of this announcement, approximately HK$37.4 million of the trade receivables as at 30 June 2025 have been subsequently settled.

Based on the Group's review of the project progress, ageing period, settlement record and financial positions of clients and other available forward-looking information as mentioned above, the Directors believe that the impairment loss assessment on the trade receivables and contract assets as at 30 June 2025 has been performed appropriately and sufficient impairment losses has been made.

Risk Management

In order to broaden the sources of revenue, the Group is actively looking for opportunities to diversify its project nature and business. The Group will evaluate the market conditions and make decisions to ensure effective implementation of the Group's expansion strategy from time to time. The Group will continue to strengthen the internal control and risk control procedures by regularly reviewing the market risk (including foreign exchange risk and interest rate risk), operation risk, finance risk, policy risk, legal risk, contract risk and credit risk of the customers and the markets.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had 434 (as at 30 June 2024: 399) full-time employees. The total remuneration of the employees (including the Directors' remuneration) was approximately HK$91.3 million for the Period (Previous Period: approximately HK$82.2 million). The increase in total remuneration of the employees was mainly due to the increase in the number of employees and average salaries of employees during the Period. To retain our competitiveness, the Group offers attractive remuneration policy, discretionary bonus 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 external training programmes which are complementary to certain job functions.

SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITION AND DISPOSALS

The Group did not hold any significant investments as at 30 June 2025.

The Company made no material acquisition and disposal of subsidiaries, associates or joint ventures during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any solid plans for material investments and capital assets as at 30 June 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND

The Board resolved not to declare the payment of any interim dividend for the Period.

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 Period.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance. It also recognises that sound and effective corporate governance practices are fundamental to the smooth, effective and transparent operation of the Company and its ability to attract investment, protect the rights of Shareholders and stakeholders, and create values for Shareholders. The Group's corporate governance policy is designed to achieve these objectives and is maintained through a framework of processes, policies and guidelines.

In the opinion of the Directors, the Company has complied, to the extend applicable and permissible with the code provisions as set out in the Corporate Governance Code under Part 2 of Appendix C1 to the Listing Rules during the Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code for securities transactions by Directors and employees (the "**Securities Code**") with standards no less exacting than that of the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 of the Listing Rules. Having made specific enquiries, all Directors and relevant employees of the Group confirmed that they have complied with the Securities Code and the Model Code during the Period.

EXTERNAL AUDITOR AND AUDIT COMMITTEE REVIEWS

The unaudited condensed consolidated financial statements of the Group for the Period have been reviewed by the Group's external auditor, BDO Limited, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report for the Period is included in the interim report to be sent to the Shareholders.

The audit committee of the Board (the "**Audit Committee**"), which comprises of all of the three independent non-executive Directors, namely Mr. Tsang Ho Ka Eugene (Chairman of the Audit Committee), Mr. Liu Yi and Ms. Wang Wanjun, has reviewed and discussed with the management the Group's interim results for the Period and examined the unaudited condensed consolidated financial statements for the Period and this announcement. Members of the Audit Committee and BDO Limited agree with the accounting treatments adopted in the preparation of the unaudited condensed consolidated financial statements.

PUBLICATION OF INTERIM RESULT ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is available for reviewing on the website of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.sldgroup.com) and the interim report for the Period containing the information required by the Listing Rules will be dispatched to the Shareholders and published on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to our staff, Shareholders, business partners and other professional parties of the Group for their support and commitment to the Group over these periods.

By Order of the Board
Steve Leung Design Group Limited
梁志天設計集團有限公司
Xu Xingli
Chairman

Hong Kong, 26 August 2025

As at the date of this announcement, the executive Directors are Mr. Leung Chi Tien Steve (BBS), Mr. Siu Man Hei (Chief Executive Officer) and Mr. Yip Kwok Hung Kevin (Chief Financial Officer), the non-executive Directors are Mr. Xu Xingli (Chairman), Mr. Ding Jingyong and Mr. Wong Man Hei, and the independent non-executive Directors are Mr. Tsang Ho Ka Eugene, Mr. Liu Yi and Ms. Wang Wanjun.