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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

	For the year ended 31 December	
	2025	2024
	(Audited)	(Audited)

Results:

Revenue for the year (HK\$ million)	422.7	367.7
Profit attributable to equity owners of the Company (HK\$ million)	11.2	1.8
Earnings per share-basic (HK cents)	0.98	0.16

Net Assets Value:

As at 31 December 2025, the Group had net assets value per share of approximately HK\$0.29 (31 December 2024: approximately HK\$0.28).

Remaining Contract Sum:

As at 31 December 2025, the Group had remaining contract sum of approximately HK\$560.0 million (31 December 2024: approximately HK\$507.1 million).

Net Cash:

As at 31 December 2025, the Group had net cash of approximately HK\$153.3 million (31 December 2024: approximately HK\$120.9 million).

Final Dividend:

The Board did not recommend the payment of any final dividend for the year ended 31 December 2025.

ANNUAL 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 audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Year**”) together with the audited comparative figures for the corresponding year ended 31 December 2024 (the “**Previous Year**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Revenue	3	422,703	367,695
Cost of sales		<u>(261,373)</u>	<u>(220,871)</u>
Gross profit		161,330	146,824
Other gains and losses	5	(845)	(4,080)
Impairment losses on trade receivables and contract assets under expected credit loss model		(15,959)	(6,446)
Other income	6	5,909	2,775
Selling expenses		(20,663)	(19,431)
Administrative expenses		(106,880)	(105,787)
Share of profit of an associate	13	273	–
Finance costs	7	<u>(1,957)</u>	<u>(3,574)</u>
Profit before taxation		21,208	10,281
Income tax expense	8	<u>(11,128)</u>	<u>(9,075)</u>
Profit for the year	9	10,080	1,206
<i>Other comprehensive income (expense) that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations		<u>5,113</u>	<u>(3,205)</u>
Total comprehensive income (expense) for the year		<u><u>15,193</u></u>	<u><u>(1,999)</u></u>

	<i>NOTES</i>	2025 HK\$' 000	2024 HK\$' 000
Profit (loss) for the year attributable to:			
– Owners of the Company		11,189	1,805
– Non-controlling interests		(1,109)	(599)
		<u>10,080</u>	<u>1,206</u>
Total comprehensive income (expense) for the year attributable to:			
– Owners of the Company		16,144	(1,265)
– Non-controlling interests		(951)	(734)
		<u>15,193</u>	<u>(1,999)</u>
Earnings per share (expressed in Hong Kong cents)			
– Basic	//	<u>0.98</u>	<u>0.16</u>
– Diluted	//	<u>0.98</u>	<u>0.16</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*AT 31 DECEMBER 2025*

	<i>NOTES</i>	2025 HK\$'000	2024 HK\$'000
Non-current Assets			
Property, plant and equipment		8,697	15,509
Right-of-use assets	<i>12</i>	45,106	40,174
Intangible assets		910	1,251
Investment in an associate	<i>13</i>	284	–
Goodwill		1,192	1,166
Rental deposits		4,098	5,377
Deferred tax assets		52,635	51,558
		<hr/> 112,922	<hr/> 115,035
Current Assets			
Inventories		16	26
Trade receivables	<i>14</i>	156,868	138,730
Other receivables, deposits and prepayments		9,980	9,390
Contract assets	<i>15</i>	84,304	90,323
Tax recoverable		247	247
Restricted bank balances	<i>16</i>	139	2,720
Bank balances and cash	<i>16</i>	153,336	140,883
		<hr/> 404,890	<hr/> 382,319
Current Liabilities			
Trade payables	<i>17</i>	65,968	50,625
Other payables and accrued charges	<i>17</i>	20,035	20,242
Bank borrowings	<i>18</i>	–	20,000
Lease liabilities		10,632	17,506
Contract liabilities	<i>19</i>	20,860	19,384
Tax liabilities		23,678	21,510
		<hr/> 141,173	<hr/> 149,267
Net Current Assets		<hr/> 263,717	<hr/> 233,052
Total Assets less Current Liabilities		<hr/> 376,639	<hr/> 348,087

	<i>NOTES</i>	2025 HK\$' 000	2024 HK\$' 000
Capital and Reserves			
Share capital	20	11,414	11,414
Reserves		<u>308,003</u>	<u>291,859</u>
Equity attributable to owners of the Company		319,417	303,273
Non-controlling interests		<u>10,905</u>	<u>10,786</u>
Total Equity		<u>330,322</u>	<u>314,059</u>
Non-current Liabilities			
Deferred tax liabilities		10,388	9,839
Lease liabilities		<u>35,929</u>	<u>24,189</u>
		<u>46,317</u>	<u>34,028</u>
		<u>376,639</u>	<u>348,087</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

I. GENERAL INFORMATION

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 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 Company acts as an investment holding company and provides corporate management services.

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Basis of preparation of consolidated financial statements

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

Going Concern Assessment

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

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

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

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

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

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

Amendments to HKAS 21	Lack of Exchangeability
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Except as described below, the application of the amendments to HKFRS Accounting Standards in the current year has no material impact on the Group's performance and financial positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.1 Amendments to HKAS 21 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.

New and Amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

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

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

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after a date to be determined

Except mentioned below, the Directors anticipate that the application of all of the above new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 *Basis of Preparation of Financial Statements* (renamed from *Accounting Policies, Changes in Accounting Estimates and Errors*). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

3. REVENUE

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 years ended 31 December 2025 and 31 December 2024 is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Service revenue	283,764	269,225
License fee revenue	1,657	1,578
Trading income	137,282	96,892
	<u>422,703</u>	<u>367,695</u>

Disaggregation of revenue from contracts with customers

The Group generates revenue from the transfer of goods and services over time and at point in time within the following brand divisions and geographical areas. Further details regarding the Group's principal activities are disclosed in note 4.

	SLD <i>HK\$'000</i>	SLL <i>HK\$'000</i>	JHD <i>HK\$'000</i>	Total <i>HK\$'000</i>
<i>For the year ended 31 December 2025</i>				
Geographical markets				
Mainland China	194,237	134,043	38,779	367,059
Hong Kong, Macao and Taiwan	29,809	6,817	–	36,626
Overseas	18,719	299	–	19,018
	<u>242,765</u>	<u>141,159</u>	<u>38,779</u>	<u>422,703</u>
Timing of revenue recognition				
Over time				
Service revenue	241,108	9,605	33,051	283,764
At point in time				
License fee revenue	1,657	–	–	1,657
Trading income	–	131,554	5,728	137,282
	<u>1,657</u>	<u>131,554</u>	<u>5,728</u>	<u>138,939</u>
	<u>242,765</u>	<u>141,159</u>	<u>38,779</u>	<u>422,703</u>

	SLD HK\$'000	SLL HK\$'000	JHD HK\$'000	Total HK\$'000
For the year ended 31 December 2024				
Geographical markets				
Mainland China	169,099	103,054	46,333	318,486
Hong Kong, Macao and Taiwan	23,809	3,231	–	27,040
Overseas	21,765	404	–	22,169
	<u>214,673</u>	<u>106,689</u>	<u>46,333</u>	<u>367,695</u>
Timing of revenue recognition				
Over time				
Service revenue	<u>213,095</u>	<u>11,856</u>	<u>44,274</u>	<u>269,225</u>
At point in time				
License fee revenue	1,578	–	–	1,578
Trading income	<u>–</u>	<u>94,833</u>	<u>2,059</u>	<u>96,892</u>
	<u>1,578</u>	<u>94,833</u>	<u>2,059</u>	<u>98,470</u>
	<u>214,673</u>	<u>106,689</u>	<u>46,333</u>	<u>367,695</u>

The Group provides interior design services, interior decorating and furnishing design services and product design services to clients. Such services are recognised as a performance obligation satisfied over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation using input method.

The Group's service contracts include payment schedules which require stage payments over the design period once certain specified milestones are reached. The Group requires certain clients to provide upfront deposits range from 10% to 20% of total contract sum, when the Group receives a deposit before design service commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the design services are performed, representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional upon meeting the billing milestones.

The Group sells interior decorative products to clients, such trading income is recognised when control of the goods has been transferred, at which time the goods have been delivered to the specific location and confirmed by the clients.

The Group grants the right to use the Group's designed products to clients and the license fee revenue is recognised at a point in time at which the license is granted to the clients.

As at 31 December 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is approximately HK\$560,000,000 (31 December 2024: approximately HK\$507,144,000). The expected timing of recognising revenue on transaction price related to the performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 is within one to two years (31 December 2024: one to two years).

4. OPERATING SEGMENTS

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 ("CODMs"), 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 and 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 below. The prior year segment information for comparison 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.

Segment revenue and results

	SLD HK\$'000	SLL HK\$'000	JHD HK\$'000	Total HK\$'000
For the year ended 31 December 2025				
<i>Revenue</i>				
Segment revenue	255,292	162,177	41,557	459,026
Inter-segment revenue	<u>(12,527)</u>	<u>(21,018)</u>	<u>(2,778)</u>	<u>(36,323)</u>
Segment revenue from external clients	<u>242,765</u>	<u>141,159</u>	<u>38,779</u>	<u>422,703</u>
<i>Segment results</i>	<u>30,910</u>	<u>24,322</u>	<u>(9,964)</u>	<u>45,268</u>
Corporate expenses				(27,440)
Other gains and losses				(845)
Other income				5,909
Share of profit of an associate				273
Finance costs				<u>(1,957)</u>
Profit before taxation				<u><u>21,208</u></u>
	SLD HK\$'000	SLL HK\$'000	JHD HK\$'000	Total HK\$'000
For the year ended 31 December 2024 (restated)				
<i>Revenue</i>				
Segment revenue	220,548	112,666	48,245	381,459
Inter-segment revenue	<u>(5,875)</u>	<u>(5,977)</u>	<u>(1,912)</u>	<u>(13,764)</u>
Segment revenue from external clients	<u>214,673</u>	<u>106,689</u>	<u>46,333</u>	<u>367,695</u>
<i>Segment results</i>	<u>35,048</u>	<u>9,023</u>	<u>(3,574)</u>	<u>40,497</u>
Corporate expenses				(25,337)
Other gains and losses				(4,080)
Other income				2,775
Finance costs				<u>(3,574)</u>
Profit before taxation				<u><u>10,281</u></u>

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment results represent the profit earned by each segment. This is the measure reported to the CODMs for the purposes of resource allocation and performance assessment.

The CODMs make decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODMs do not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Other segment information

Amounts included in the measure of segment results

	SLD HK\$'000	SLL HK\$'000	JHD HK\$'000	Total HK\$'000
For the year ended 31 December 2025				
Amortisation of intangible assets	361	–	7	368
Depreciation of property, plant and equipment	3,740	157	384	4,281
Depreciation of right-of-use assets	16,866	1,295	184	18,345
Impairment losses on trade receivables under expected credit loss (“ECL”) model	7,380	4,009	708	12,097
Impairment losses on (reversal of) contract assets under ECL model	<u>1,769</u>	<u>(499)</u>	<u>2,592</u>	<u>3,862</u>
	SLD HK\$'000	SLL HK\$'000	JHD HK\$'000	Total HK\$'000
For the year ended 31 December 2024				
Amortisation of intangible assets	387	–	7	394
Depreciation of property, plant and equipment	3,817	569	653	5,039
Depreciation of right-of-use assets	17,684	1,513	355	19,552
(Reversal of) impairment losses on trade receivables under ECL model	(2,902)	917	(861)	(2,846)
Impairment losses on contract assets under ECL model	<u>6,778</u>	<u>959</u>	<u>1,555</u>	<u>9,292</u>

Geographical information

The Group's revenue from external clients is mainly derived from clients located in Mainland China and Hong Kong, which is determined based on the location of projects.

	For the year ended 31 December	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
External revenue:		
Mainland China	367,059	318,486
Hong Kong, Macao and Taiwan	36,626	27,040
Overseas	19,018	22,169
	<u>422,703</u>	<u>367,695</u>

The Group's non-current assets (excluding deferred tax assets) are mainly located in Mainland China and Hong Kong, which is determined based on the geographical location of these assets.

	For the year ended 31 December	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Mainland China	26,536	43,976
Hong Kong, Macao and Taiwan	33,467	19,501
Overseas	284	–
	<u>60,287</u>	<u>63,477</u>

Information about major clients

During the years ended 31 December 2025 and 2024, none of the Group's single customer attributed to more than 10% of the Group's total external revenue.

5. OTHER GAINS AND (LOSSES)

	For the year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Exchange loss, net	(46)	(1,878)
(Loss) gain on disposals of property, plant and equipment	(1,104)	40
Gain on lease termination	293	–
Gain on lease modification	12	–
Provision for litigations (<i>Note</i>)	–	(2,242)
	<u>(845)</u>	<u>(4,080)</u>

Note: For the Previous Year, the Group has encountered two legal disputes involving restricted bank balances. These disputes have been treated as follows:

- (i) A PRC subsidiary of the Company has a contractual dispute related to interior decorating and furnishing design services provided to a client. During the Year, the No. 3 Intermediate People's Court of Beijing Municipality issued a final judgment in respect of the litigation with such client. The Group was unsuccessful in its appeal, pursuant to the court's ruling, was liable to pay compensation of approximately Renminbi ("RMB") 1,370,000 to the customer. The compensation was fully settled during the Year. During the Previous Year, the case has been recognised a provision with an estimated liability of approximately RMB1,566,000 (equivalent to approximately HK\$1,699,000). As at 31 December 2025, no bank account (31 December 2024: a bank account of approximately RMB1,566,000) was frozen due to the dispute.
- (ii) A PRC subsidiary of the Company has a labour dispute related to compensation to a former employee. During the Year, the No. 3 Intermediate People's Court of Beijing Municipality issued a final judgment in respect of the litigation with such former employee. The Group was unsuccessful in its appeal, pursuant to the court's ruling, and was liable to pay compensation of approximately RMB1,254,000 to the former employee. A settlement agreement was executed by the PRC subsidiary and the former employee, under which the compensation will be settled by installments through February 2026. During the Previous Year, the case has been recognised a provision with an estimated liability of approximately RMB501,000 (equivalent to approximately HK\$543,000). As at 31 December 2025, no bank account (31 December 2024: a bank account of approximately RMB501,000) was frozen due to the dispute.

6. OTHER INCOME

	For the year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Grants received from local government (<i>Note (a)</i>)	1,861	188
Interest income from bank deposits	179	263
Membership fee income (<i>Note (b)</i>)	2,829	1,660
Miscellaneous income	1,040	664
	<u>5,909</u>	<u>2,775</u>

Notes:

- (a) The amounts represent grants provided by the relevant PRC authorities to certain PRC subsidiaries of the Company. 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.
- (b) Membership fee income arising from the Group's "Design Hub" facility, which is a design-driven social community space by utilising its unused office area of the Group.

7. FINANCE COSTS

	For the year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Interest on bank borrowings	601	1,940
Interest on lease liabilities	1,356	1,634
	<u>1,957</u>	<u>3,574</u>

8. INCOME TAX EXPENSE

	For the year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Current tax:		
Hong Kong Profits Tax	–	495
PRC Enterprise Income Tax	10,175	4,516
	<u>10,175</u>	<u>5,011</u>
Under provision in prior years:		
PRC Enterprise Income Tax	726	389
Deferred taxation	227	3,675
	<u>11,128</u>	<u>9,075</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit 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 is 25% for both years.

The EIT Law requires withholding tax to be levied on distribution of profits earned by the PRC entities for profits generated after 1 January 2008 at rate of 5% for Hong Kong resident companies, which are the beneficial owners of the dividend received.

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

	For the year	
	ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
		<i>(restated)</i>
Profit before taxation	21,208	10,281
Tax at applicable tax rate of 25% (2024: 25%)	5,302	2,570
Tax effect of income not taxable for tax purpose	(299)	(280)
Tax effect of expenses not deductible for tax purpose	679	2,012
Tax effect of tax losses not recognised	2,088	2,593
Utilisation of tax losses previously not recognised	(396)	(260)
Withholding tax	2,827	2,225
Income tax at concessionary rate	(1,698)	(2,121)
Effect of different tax rate of the subsidiaries	1,899	1,947
Under provision in prior years	726	389
Income tax expense for the year	11,128	9,075

For better alignment with the Group’s principal operations and to enhance the comparability of information, the income tax reconciliation in the current year has been refined. The comparative figures have been restated to conform with the current year’s presentation, which applies the tax rate applicable to the Company’s primary operating subsidiaries.

12. RIGHT-OF-USE ASSETS

	Leased properties <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Motor vehicle <i>HK\$'000</i>	Total <i>HK\$'000</i>
AS AT 31 DECEMBER 2025				
Carrying amounts	41,444	3,662	–	45,106
AS AT 31 DECEMBER 2024				
Carrying amounts	38,264	1,910	–	40,174
FOR THE YEAR ENDED				
31 DECEMBER 2025				
Depreciation charge	17,104	1,241	–	18,345
Expense relating to short-term leases				2,774
Total cash flow for leases				22,256
Additions to right-of-use assets				369
FOR THE YEAR ENDED				
31 DECEMBER 2024				
Depreciation charge	18,033	1,254	265	19,552
Expense relating to short-term leases				2,034
Total cash flow for leases				24,733
Additions to right-of-use assets				858
Transfer to property, plant and equipment				1,478

During the Year, the Group leased various office premises and office equipment (Previous Year: office premises, office equipment and motor vehicle) for its operations. Lease contracts are entered into for fixed term of 2 years to 6 years (Previous Year: 2 years to 5 years). Lease terms are negotiated on an individual basis and contained different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applied the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for office premises. As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term expense disclosed above.

Restriction or covenants on leases

The lease arrangements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purpose.

13. INVESTMENT IN AN ASSOCIATE

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Share of net assets	284	–

Particulars of the associate, unlisted corporate entity whose shares do not have quoted market price at 31 December 2025 and 2024 are as follows:

Name of associate	Particulars of issued shares held	Place of incorporation	Place of operation	Principal activities	Equity interest held by the Group		Equity interest attributable to the owners of the Company	
					2025	2024	2025	2024
Steve Leung Designer (Thailand) Co., Ltd	20,000 ordinary shares of Thailand Baht each	Thailand	Thailand	Provision of interior design services	48%	–	48%	–

The above associate has a reporting date of 31 December.

The above associate is accounted for using the equity method in the consolidated financial statements.

The following table shows the Group's share of the amounts of its associate under the equity method:

	2025	2024
	HK\$'000	HK\$'000
At 31 December:		
Carrying amounts of investment	284	–
Year ended 31 December:		
Profit for the year and total comprehensive income	273	–

The Group has not incurred any contingent liabilities or other commitments relating to its investment in associate.

14. TRADE RECEIVABLES

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Trade receivables	197,791	168,559
Less: allowance for credit losses	<u>(68,890)</u>	<u>(58,672)</u>
Trade receivables (net carrying amount)	<u>128,901</u>	<u>109,887</u>
Unbilled receivables (<i>Note</i>)	60,709	57,779
Less: allowance for credit losses	<u>(32,742)</u>	<u>(28,936)</u>
Unbilled receivables (net carrying amount)	<u>27,967</u>	<u>28,843</u>
	<u>156,868</u>	<u>138,730</u>

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 year end.

Included in the carrying amount of trade receivables as at 31 December 2025 is an amount of HK\$6,334,000 (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.

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
0 to 30 days	46,671	50,546
31 to 90 days	24,380	6,162
91 to 180 days	9,858	8,875
181 days to 1 year	10,286	7,461
Over 1 year	<u>37,706</u>	<u>36,843</u>
	<u>128,901</u>	<u>109,887</u>

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

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$128,901,000 (31 December 2024: HK\$109,887,000) which are past due as at the reporting date. Out of the past due balances, HK\$57,850,000 (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 31 December 2025, the Group's trade receivables of HK\$7,858,000 (31 December 2024: HK\$9,654,000) are collateralised by certain client's PRC properties, of which HK\$7,858,000 (31 December 2024: HK\$7,945,000) are related to debtors with balances due over 1 year.

During the Previous Year, certain clients settled their outstanding balances by transfer of buildings, and such buildings were recognised as property, plant and equipment upon completion of transfer.

15. CONTRACT ASSETS

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Interior design services	126,822	124,798
Interior decorating and furnishing services	5,124	8,692
Less: allowance for credit losses	(47,642)	(43,167)
	<u>84,304</u>	<u>90,323</u>

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditional 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 31 December 2025 is an amount of HK\$438,000 (31 December 2024: HK\$698,000) from related parties controlled by a controlling shareholder of the Company.

The Group's design services include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Group requires certain clients to provide upfront deposits range from 10% to 20% of total contract sum as part of its credit risk management policies.

There was no retention monies held by clients for contract works performed at the end of each reporting period.

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

16. BANK BALANCES AND CASH AND RESTRICTED BANK BALANCES

As at 31 December 2025, the restricted bank balance amounted to HK\$139,000 was due to a legal dispute initiated by a vendor against a PRC subsidiary of the Company in December 2025 involving the provision of constructions drawings services. A sum of approximately RMB126,000 (equivalent to approximately HK\$139,000) in a bank account of such PRC subsidiary has been frozen pursuant to a court order in December 2025. This case has been fully settled and the frozen balance was fully released in January 2026.

As at 31 December 2024, the restricted bank balances amounted to HK\$2,720,000 were due to legal disputes in the PRC, details of which are set out in note 5.

Cash at banks earns interest at market interest rates.

As at 31 December 2025, the bank balances and cash of the Group denominated in RMB amounted to HK\$130,768,000 (31 December 2024: HK\$121,742,000).

17. 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:

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
0 to 180 days	38,132	36,893
Over 180 days	27,836	13,732
	<u>65,968</u>	<u>50,625</u>

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

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Accrued staff benefits	13,514	10,191
Other payables and accrued charges	6,521	7,809
Provision for litigations (note 5)	–	2,242
	<u>20,035</u>	<u>20,242</u>

18. BANK BORROWINGS

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Unsecured	<u>–</u>	<u>20,000</u>

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

	<u>–</u>	<u>20,000</u>
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As at 31 December 2025, the Group had no borrowings. As at 31 December 2024, the Group's borrowings included variable-rate borrowings of HK\$20,000,000 carrying interest ranging from 3.00% to 3.75% per annum over Hong Kong Interbank Offered Rate.

19. CONTRACT LIABILITIES

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Interior design services	8,811	9,253
Interior decorating and furnishing services	12,049	10,131
	<u>20,860</u>	<u>19,384</u>

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

Movements in contract liabilities:

	2025	2024
	HK\$'000	HK\$'000
Balance at the beginning of the year	19,384	15,103
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(10,372)	(5,840)
Increase in contract liabilities as a result of receiving deposits from the clients	11,613	10,835
Exchange realignments	235	(714)
Balance at the end of the year	<u>20,860</u>	<u>19,384</u>

When the Group receives a deposit before the design services commence, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

20. SHARE CAPITAL

	Number of shares	HK\$
Ordinary share of the Company of HK\$0.01 each		
Authorised		
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>4,000,000,000</u>	<u>40,000,000</u>
Issued and fully paid		
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>1,141,401,000</u>	<u>11,414,010</u>

21. CONTINGENT LIABILITIES

As at 31 December 2025, the Group had contingent liabilities in respect of performance bond issued by a bank to guarantee the due and proper performance of the contractual obligation undertaken by the Company's subsidiary for a project amounting to approximately RMB158,000 (equivalent to approximately HK\$174,000) (31 December 2024: nil). The performance bond was issued in the ordinary course of business and is expected to be released in accordance with the terms of the relevant interior design contract.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

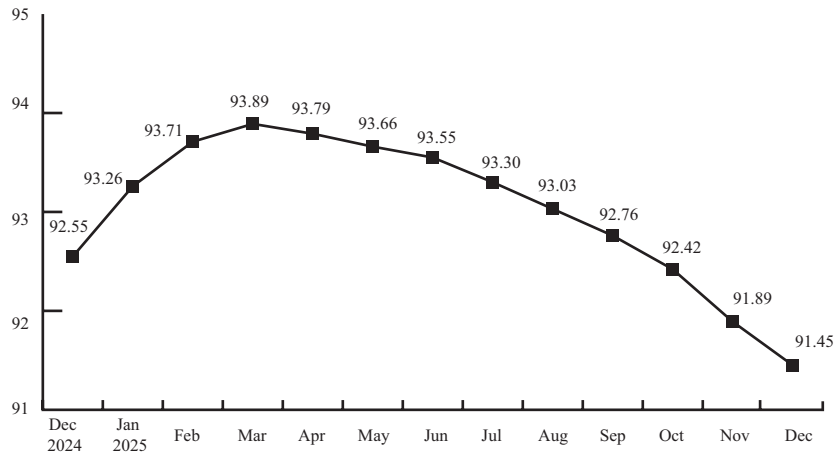
In 2025, the global macroeconomic environment continued to face multiple challenges. Complex developments in international geopolitical dynamics, adjustments in monetary policies across major economies, and escalating international trade frictions exerted considerable pressure on global economic activities. The United States of America (the “**U.S.**”), in particular, tightened its trade policies, which drove up raw materials and transportation costs, further contributing to volatility in global markets. In response to easing inflationary pressures and a slowing economic growth momentum, the U.S. Federal Reserve continued its interest rate reduction cycle throughout the Year, implementing three times cuts of 0.25% each in September, October, and December 2025, aligning with market expectations and generating ripple effects on global liquidity and financing costs.

Amidst a complex and volatile external environment, the PRC’s economy demonstrated considerable resilience. According to data released by the National Bureau of Statistics of China (the “**NBS**”), the PRC’s gross domestic product grew by approximately 5.0% year-on-year in 2025, maintaining a growth rate consistent with the previous year. The PRC central government implemented specific and proactive economic support measures to stabilise the economy. The real estate policies of the PRC have clearly shifted from “scale expansion” to “quality enhancement”, with a concerted effort to promote the construction of “good quality housing”, complemented by enhanced support through the “white-list” financing coordination mechanism. Policy adjustments across major cities have shown differentiated approaches: first-tier cities have implemented more substantial policy optimisations, while second- and third-tier cities emphasised tailored measures for different cities.

Despite the clear intent behind these supportive policies, their overall impact on revitalising the national real estate market will require time to materialise. According to data released by the NBS, both the growth rate of investment in real estate development and the growth rate of capital in place for real estate development enterprises remained at low levels throughout the Year. The National Real Estate Climate Index declined gradually from 93.67 in April to 91.45 by December 2025, reflecting cautious market sentiment and ongoing pressure on the industry. For the interior design sector, being an upstream sector, weakened investment willingness among developers and extended project cycles have directly led to a slowdown in design demand for new developments.

During the Year, the PRC’s existing housing market further demonstrated its growth importance within the real estate system. As the new housing market entered a period of structural adjustment, second-hand housing transactions gained momentum in major cities and gradually became a core driver of market recovery. According to data from China Real Estate Information Corporation, secondary home sales across 30 major cities in the PRC reached 214 million square meters in 2025, with Shanghai and Chengdu both setting new records in transaction volume. On the one hand, the growing demand for renovation, remodeling, and partial upgrades is creating sustained opportunities for residential design services and interior decorative products. On the other hand, the growing focus toward existing assets is also exerting a structural impact on the business models and service approaches within the design industry.

National Real Estate Climate Index



Source: the NBS

Looking overseas, the Asia-Pacific region exhibited a differentiated development landscape. In Japan, the recovery of tourism and progress in large-scale infrastructure projects have supported stable demand for high-end hotel and commercial space design. In the Middle East, economic transformation plans and vision projects driven by sovereign wealth funds keep fueling demand for the design of high-end residences, hotels, and large-scale commercial complexes, with the region offering relatively higher project profitability and notable market appeal.

Notably, as competition intensifies within the PRC market, a growing number of design companies are expanding overseas. This trend has shifted industry competition from the domestic arena to the global stage and significantly accelerated the internationalisation of the market. While this shift presents vast opportunities for companies with a global vision, it also poses greater challenges in terms of cross-cultural communication and the ability to integrate resources across borders.

Business and Operational Review

As a globally renowned interior design company, the Group has consistently upheld the highest standards of professionalism, and is committed to provide exceptional interior design services to the clients. High-end residential properties, luxury hotels, and commercial spaces are our core business, serving a diverse clientele that includes real estate developers, internationally recognised hotel brands, upscale private clubs, and well-known domestic enterprises. Through our outstanding design capabilities and exceptional service standards, we have established a strong reputation in the industry over the years and earned widespread trust and recognition from our clients.

In recent years, the PRC real estate market has undergone a deep adjustment. Although the PRC government has implemented a series of market-supportive policies, including reductions in down-payment ratios, relaxations of home-purchase restrictions, increased affordable housing supply, and the provision of tax incentives which have contributed to a degree of market recovery, the industry as a whole continues to face substantial pressure.

In response to evolving market conditions, the Group has proactively innovated its business model and pursued diversified growth to capture new opportunities. During the Year, the Group further sharpened its strategic focus on interior decorative products, with a notable expansion and enrichment of our product offerings in the segment. Through deepened collaboration with real estate developers, the Group has provided comprehensive turnkey solutions for high-end residential clients, integrating artistic vision practical functionality, and intelligent technology. This initiative has not only enhanced our brand influence but also created new revenue streams and strengthened its market competitiveness. At the same time, we have closely monitored market trends and actively expanded our client base across more diverse segments, further broadening our business reach.

Concurrently, the Group has been actively strengthening its presence in overseas markets and has observed encouraging development opportunities. In particular, the Middle East region continues to present strong potential, driven by ambitious economic transformation plans gaining momentum and sovereign wealth funds in large-scale vision projects, demand for high-end residential, luxury hotel, and large-scale commercial complex interior designs services continues to grow. These projects not only offer relatively attractive profit margins but also demonstrate significant market appeal. In Japan, the robust recovery of the tourism industry combined with ongoing major infrastructure developments has helped maintain stable demand for premium hotel and commercial space design. We are proactively seizing these international opportunities, deepening strategic partnerships with well-known overseas developers and hotel groups, and gradually enhancing the Group's global footprint so that the "Steve Leung Design" brand continues to shine brightly on the international stage.

Amidst its business expansion, the Group has intensified its efforts in receivables recovery, implemented effective cost control and efficiency enhancement measures. By continuously improving overall operational efficiency, and actively diversifying its business opportunities, the Group achieved steady growth under current challenging environment, laying a solid foundation for future sustainable growth.

Overall Performance

During the Year, the Group recorded a total revenue of approximately HK\$422.7 million (Previous Year: approximately HK\$367.7 million), representing an increase of approximately 15.0%. Gross profit also increased to approximately HK\$161.3 million (Previous Year: approximately HK\$146.8 million), whereas gross profit margin slightly decreased from approximately 39.9% for the Previous Year to approximately 38.2% for the Year, resulting from the increased contribution from the SLL segment and the reduction of gross profit and gross profit margin from the JHD segment as a result of their significant reduction in revenue.

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

	For the year ended 31 December 2025					For the year ended 31 December 2024				
	SLD	SLL	JHD	Total	% of total	SLD	SLL	JHD	Total	% of total
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	%	HK\$ million	HK\$ million	HK\$ million	HK\$ million	%
Revenue										
Residential projects	182.9	138.9	8.8	330.6	78.2	143.0	102.4	8.1	253.5	68.9
Private residence projects	23.5	1.0	0.3	24.8	5.9	13.2	0.5	–	13.7	3.7
Hospitality projects	24.5	0.8	10.0	35.3	8.3	42.5	2.8	13.1	58.4	15.9
Commercial projects	3.7	0.1	17.3	21.1	5.0	9.5	0.6	23.3	33.4	9.1
Others	8.2	0.3	2.4	10.9	2.6	6.5	0.4	1.8	8.7	2.4
Total	242.8	141.1	38.8	422.7	100.0	214.7	106.7	46.3	367.7	100.0

Profit for the year increased significantly from approximately HK\$1.2 million for the Previous Year to approximately HK\$10.1 million for the Year, mainly due to (i) significant increase in revenue by trading of interior decorative products; (ii) reduction of other losses and finance costs; and (iii) increase in other income. The increase was partially offset by the increase in impairment losses on trade receivables and contract assets under expected credit loss model.

Pipeline Projects

The following table sets forth a breakdown of new contract sum awarded by brand and types of projects and geographical markets during the years indicated:

	For the year ended 31 December 2025				For the year ended 31 December 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 years								
Residential projects	218.7	198.7	10.7	428.1	236.1	185.2	17.6	438.9
Private residence projects	34.7	1.7	2.4	38.8	34.1	0.4	–	34.5
Hospitality projects	54.4	2.8	15.4	72.6	22.7	3.0	13.4	39.1
Commercial projects	4.9	10.1	18.4	33.4	12.3	0.4	29.4	42.1
Others	12.0	0.6	3.4	16.0	7.1	0.4	2.2	9.7
Total	324.7	213.9	50.3	588.9	312.3	189.4	62.6	564.3

	For the year ended 31 December 2025				For the year ended 31 December 2024			
	SLD <i>HK\$ million</i>	SLL <i>HK\$ million</i>	JHD <i>HK\$ million</i>	Total <i>HK\$ million</i>	SLD <i>HK\$ million</i>	SLL <i>HK\$ million</i>	JHD <i>HK\$ million</i>	Total <i>HK\$ million</i>
New contract sum awarded during the years								
Mainland China	250.1	204.2	50.3	504.6	257.9	186.5	62.6	507.0
Hong Kong, Macao and Taiwan	30.3	8.8	-	39.1	32.5	2.5	-	35.0
Overseas	44.3	0.9	-	45.2	21.9	0.4	-	22.3
Total	324.7	213.9	50.3	588.9	312.3	189.4	62.6	564.3

The new contract sum awarded during the Year raised from HK\$564.3 million to HK\$588.9 million which mainly attributable to the SLL segment. Hospitality project sector also demonstrated a notifiable growth of 85.7% as a result of the newly-awarded overseas hotel projects under our internationalisation strategy. However, new contract sum from commercial projects under the JHD segment significantly decreased due to weakened demand within the PRC commercial sector during the Year.

Beyond traditional residential show flat projects, the SLL segment has successfully expanded its service offerings to residential clubhouse projects, as well as large-scale procurement projects, demonstrating strong client confidence gained through SLL segment's efforts over the past few years.

During the Year, the Group secured several projects in the Middle East region, mainly in Saudi Arabia, Qatar and the United Arab Emirates (the "UAE"). Although these regions are currently experiencing geopolitical tensions and military conflicts, up to the date of this announcement, based on enquiries made with our local partners and clients and to the best knowledge of the management, the impact of these events on the progress of the projects remains remote and immaterial.

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

	For the year ended 31 December 2025				For the year ended 31 December 2024			
	SLD <i>HK\$ million</i>	SLL <i>HK\$ million</i>	JHD <i>HK\$ million</i>	Total <i>HK\$ million</i>	SLD <i>HK\$ million</i>	SLL <i>HK\$ million</i>	JHD <i>HK\$ million</i>	Total <i>HK\$ million</i>
Remaining contract sum at the beginning of the year	285.8	146.4	74.9	507.1	250.6	114.5	89.0	454.1
Add: New contract sum awarded during the year	324.7	213.9	50.3	588.9	312.3	189.4	62.6	564.3
Less: VAT for newly awarded contracts	(14.1)	(22.9)	(3.3)	(40.3)	(14.1)	(20.6)	(3.8)	(38.5)
Less: Revenue recognised during the year	(241.1)	(141.1)	(38.8)	(421.0)	(213.1)	(106.7)	(46.3)	(366.1)
Less: Variation order	(45.9)	(15.1)	(26.3)	(87.3)	(44.6)	(28.8)	(25.6)	(99.0)
Add (less): Exchange realignments	7.5	4.0	1.1	12.6	(5.3)	(1.4)	(1.0)	(7.7)
Remaining contract sum at the end of the year	316.9	185.2	57.9	560.0	285.8	146.4	74.9	507.1

Compared with the Previous Year, the negative variation order decreased from approximately HK\$99.0 million to approximately HK\$87.3 million for the Year. The decrease was mainly due to the decrease in the number of projects that have been terminated or reduced in design scope as a result of better project planning and marketing strategy by the Group's clients under the current market environment and condition.

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

	As at 31 December 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 projects	213.7	168.5	8.3	390.5	69.7	201.9	142.2	16.4	360.5	71.1
Private residence projects	44.7	1.7	1.9	48.3	8.6	45.0	1.5	-	46.5	9.2
Hospitality projects	38.3	2.8	15.4	56.5	10.1	15.1	1.2	18.3	34.6	6.8
Commercial projects	7.9	10.8	22.1	40.8	7.3	12.1	0.1	27.2	39.4	7.8
Others	12.3	1.4	10.2	23.9	4.3	11.7	1.4	13.0	26.1	5.1
Total	316.9	185.2	57.9	560.0	100.0	285.8	146.4	74.9	507.1	100.0
	As at 31 December 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										
Mainland China	250.8	181.0	57.9	489.7	87.5	243.0	144.4	74.9	462.3	91.2
Hong Kong, Macao and Taiwan	19.4	3.1	-	22.5	4.0	21.0	1.5	-	22.5	4.4
Overseas	46.7	1.1	-	47.8	8.5	21.8	0.5	-	22.3	4.4
Total	316.9	185.2	57.9	560.0	100.0	285.8	146.4	74.9	507.1	100.0

The remaining contract sum for the SLD segment increased from approximately HK\$285.8 million as at 31 December 2024 to approximately HK\$316.9 million as at 31 December 2025 while the remaining contract sum for the SLL segment also increased from approximately HK\$146.4 million as at 31 December 2024 to approximately HK\$185.2 million as at 31 December 2025. However, the remaining contract sum for the JHD segment decreased from approximately HK\$74.9 million as at 31 December 2024 to approximately HK\$57.9 million as at 31 December 2025.

The increase in the remaining contract sum was primarily concentrated in the SLL segment and the overseas hospitality sector. This reflects our initial achievement on internationalisation and diversification strategies, as well as our ongoing efforts to cultivate and explore the overseas market and the potential of the interior decorating and furnishing sector during the Year. Such achievement provides a strong platform for the Group's continued growth in the years ahead.

The Group also recorded a profit attributable to owners of the Company, increasing significantly from approximately HK\$1.8 million for the Previous Year to approximately HK\$11.2 million for the Year.

The Board did not recommend the payment of final dividend for both 2024 and 2025.

As at 31 December 2025, the Group's total assets were valued at approximately HK\$517.8 million (31 December 2024: approximately HK\$497.4 million), of which current assets were approximately HK\$404.9 million (31 December 2024: approximately HK\$382.3 million), being approximately 2.9 times (31 December 2024: approximately 2.6 times) of the current liabilities. Equity attributable to owners of the Company was approximately HK\$319.4 million (31 December 2024: approximately HK\$303.3 million).

SLD

SLD (Steve Leung Design) segment includes the "Steve Leung" brand, such as SLD, SLH, SLC, SLA, SLW, SL2.0, 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.

This segment remained focused on the residential project sector during the Year. The entire SLD brand contributed approximately 57.4% of the Group's revenue (Previous Year: approximately 58.4%). Segment revenue increased from approximately HK\$214.7 million for the Previous Year to approximately HK\$242.8 million for the Year, representing an increase of approximately 13.1%. Such increase was mainly arising from the interior design services of residential and private residence project sectors, driven by advancements in project progress. Although newly awarded contract sums for hospitality projects recorded a 139.7% increase during the Year, most of these projects were awarded in the second half of 2025 and remained at an early stage of development, resulting in limited revenue contribution. Coupled with the progression completion of certain gifted projects in the hospitality project sector, the revenue contribution from this project sector decreased during the Year. Meanwhile, the revenue contribution from residential and private residence project sectors has increased correspondingly.

Segment gross profit increased by approximately 5.5% to approximately HK\$100.6 million (Previous Year: approximately HK\$95.4 million), which was in line with the revenue growth.

Another important component of this segment is the provision of and the licensing arrangement for product design services, the revenue of which was recognised with reference to the sales volume of the designed products by clients of the Group. While this component contributed minimally to the Group's revenue, it added value to the overall interior design, decorating and furnishing layout of projects, thereby enhancing customer satisfaction. This is one of the Group's important marketing and branding strategies. During the Year, our product design services continued to maintained at a minimal level, with revenue of approximately HK\$1.7 million (Previous Year: approximately HK\$1.6 million).

As at 31 December 2025, this brand segment had a remaining contract sum of approximately HK\$316.9 million (31 December 2024: approximately HK\$285.8 million). Such increase was mainly contributed by the overseas hospitality project sector, which is expected to be realised based on the stage of completion and the general progress of projects in 2026 and 2027.

SL L

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.

During the Year, this segment maintained its main focus on the PRC residential project sector. This segment contributed approximately 33.4% of the Group’s total revenue for the Year (Previous Year: approximately 29.0%). Segment revenue recorded a significant increase of approximately 32.2% to approximately HK\$141.1 million (Previous Year: approximately HK\$106.7 million). Such increase was mainly arising from the increase in trading income as a result of an increase in average project size and the recovery of the residential market in the first- and second-tier cities of the PRC. In parallel, the Group further strengthened its market presence through the expansion of large-scale procurement of interior decorative products for residential development projects, supporting the continued development of our productised service offerings and reinforcing our comprehensive value proposition.

As at 31 December 2025, this brand segment had a remaining contract sum of approximately HK\$185.2 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 and handover of interior decorative products in 2026 and 2027.

JH D

JHD (Jangho Design) segment refers to 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 segment contributed approximately 9.2% of the Group’s total revenue for the Year (Previous Year: approximately 12.6%). Segment revenue substantially dropped by approximately 16.2% from approximately HK\$46.3 million for the Previous Year to approximately HK\$38.8 million for the Year. Such reduction in revenue was mainly arising from the hospitality and commercial project sectors, which dropped from approximately HK\$13.1 million and approximately HK\$23.3 million for the Previous Year to approximately HK\$10.0 million and approximately HK\$17.3 million for the Year respectively. The decrease is mainly due to exerted downward pressure on the segment’s overall performance.

As at 31 December 2025, this brand segment had a remaining contract sum of approximately HK\$57.9 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 in 2026 and 2027.

AWARDS AND ACCREDITATIONS FOR 2025

The Group received numerous awards over the years for its continuous delivery of high-quality interior design services and outstanding corporate performance. Awards and accreditations received by the Group during the Year were as follows:

Corporate Honours

Top 500 China Real Estate Enterprises Award by China Real Estate Association and E-house
China R&D Institute

Top 2 Best Interior Design Firm

Interior Design Awards

International Design Awards

Gold – Hospitality Interior Design Restaurants – Sugarra, Singapore

International Design Awards

Silver – Hospitality Interior Design Restaurants – Minato, Hong Kong

International Design Awards

Honorable Mention – Hospitality Interior Design Restaurants – KAMON, Singapore

International Design Awards

*Honorable Mention – Commercial Interior Design/Creative Space Design – Xuan Guang Guzheng
Flagship Store, Shenzhen*

International Design Awards

Honorable Mention – Residential Interior Design/Luxury Living – Song Space, Xi'an

International Design Awards

Honorable Mention – Residential Interior Design/Luxury Living – Arbour, Shanghai

Elle Decoration China Interior Architecture Design Award A-List 2025

Residence – Song Space, Xian

Product Design Awards

DFA Design for Asia Awards 2025

Grand Award – Moorgen x Steve Leung – SALUTE

DFA Design for Asia Awards 2025

Silver Award – Moorgen x SLD • Andrea Bonini – AUREA

International Design Awards

Honorable Mention – Home & Living/Lighting – Baccarat – Printemps Bleu Zenith Chandelier

International Design Awards

Honorable Mention – Home & Living/Lighting – Moorgen x Steve Leung – Salute

International Design Awards

Honorable Mention – Home & Living/Lighting – Moorgen x SLD • Andrew Bonini – Aurea

Financial Review

Revenue and Gross Profit

The Group's revenue increased by approximately HK\$55.0 million or 15.0%, from approximately HK\$367.7 million for the Previous Year to approximately HK\$422.7 million for the Year. The increase in total revenue was mainly contributed by trading income from trading of interior decorating products and the service revenue from provision of interior design services and interior decorating and furnishing design services during the Year.

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 revenue and gross profit by brand and nature during the years indicated:

Revenue and Gross Profit by Brand and Nature

	For the year ended 31 December 2025				For the year ended 31 December 2024			
	SLD HK\$ million	SLL HK\$ million	JHD HK\$ million	Total HK\$ million	SLD HK\$ million	SLL HK\$ million	JHD HK\$ million	Total HK\$ million
Service revenue	241.1	9.6	33.1	283.8	213.1	11.9	44.2	269.2
License fee revenue	1.7	-	-	1.7	1.6	-	-	1.6
Trading income	-	131.5	5.7	137.2	-	94.8	2.1	96.9
Total revenue	242.8	141.1	38.8	422.7	214.7	106.7	46.3	367.7
Gross profit	100.6	55.4	5.3	161.3	95.4	41.6	9.8	146.8
Gross profit margin	41.4%	39.3%	13.7%	38.2%	44.4%	39.0%	21.2%	39.9%

Service revenue increased from approximately HK\$269.2 million for the Previous Year to approximately HK\$283.8 million for the Year, representing approximately 73.2% and approximately 67.1% of the total revenue for the respective years. The increase in service revenue is mainly attributable to the SLD segment in residential and private residence project sectors as a result of the recovery of overall project progress but was at the same time offset by the drop in revenue from the JHD segment in hospitality and commercial project sectors, in particular, the PRC hotel projects. The trading revenue increased significantly from approximately HK\$96.9 million for the Previous Year to approximately HK\$137.2 million for the Year, representing approximately 26.4% and approximately 32.5% of the total revenue, respectively. The increase was mainly due to the gradual recovery of the PRC residential market and the newly awarded large-scale procurement projects during the Year.

The Group's gross profit increased to approximately HK\$161.3 million for the Year (Previous Year: approximately HK\$146.8 million), which was in line with the revenue growth for the Year. Gross profit margin therefore decreased slightly by approximately 1.7 percentage points to approximately 38.2% (Previous Year: approximately 39.9%). This was primarily driven by an increased contribution from the SLL segment, coupled with a decline in both gross profit and gross profit margin within the JHD segment as a result of a significant reduction in its revenue.

Other Gains and Losses

The Group recorded other losses of approximately HK\$0.8 million for the Year (Previous Year: approximately HK\$4.1 million). The significant decrease was primarily due to a reduction in the provision for litigation (for details, please refer to note 5 to the consolidated financial statements in this announcement) and the appreciation of RMB during the Year as compared with the Previous Year, resulting in a decrease in exchange losses. However, the decrease in losses was partially offset by the loss on disposals of property, plant and equipment during the Year.

Impairment Losses on Trade Receivables and Contract Assets Under ECL Model

The impairment losses on trade receivables and contract assets increased significantly from approximately HK\$6.4 million for the Previous Year to approximately HK\$16.0 million for the Year. The increase was mainly due to the higher trade receivables balances assessed under the ECL model resulting from the significant growth in revenue and prolonged settlement procedures of certain groups of clients. For details, please refer to the section headed “Corporate Finance and Risk Management — Credit Risk Exposure” of this announcement.

Other Income

Other income mainly includes government grants, interest income from bank deposits and membership fee income during the Year. The increase in other income from approximately HK\$2.8 million for the Previous Year to approximately HK\$5.9 million for the Year was mainly contributed from the government grants received during the Year and the membership fee income arising from the Group’s “Design Hub” facility 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. For details, please refer to the note 6 to the consolidated financial statement of this announcement.

Selling Expenses

Selling expenses of the Group mildly increased from approximately HK\$19.4 million for the Previous Year to approximately HK\$20.7 million for the Year, representing an increase of approximately 6.7% during the Year. 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 Year.

Administrative Expenses

The Group's administrative expenses slightly increased from approximately HK\$105.8 million for the Previous Year to approximately HK\$106.9 million for the Year, representing an increase of approximately 1.0% during the Year. The increase was primarily due to the increase in staff costs arising from severance payments for staff optimisation in 2025.

Finance Costs

The finance costs comprised interest on lease liabilities and the bank borrowings for financing the Group's operations. The finance costs of the Group decreased from approximately HK\$3.6 million for the Previous Year to approximately HK\$2.0 million for the Year, representing a reduction of approximately 44.4%. The reduction was mainly attributable to the repayment of bank borrowings and the decrease in interest rates of bank borrowing during the Year. For details, please refer to note 7 to the consolidated financial statements of this announcement.

Income Tax Expense

The Group's income tax expense increased from approximately HK\$9.1 million for the Previous Year to approximately HK\$11.1 million for the Year, representing an increase of approximately 22.0% during the Year. The increase was mainly attributable to the recognition of income tax expenses for the profits generated by the PRC subsidiaries. Certain PRC subsidiaries were no longer eligible for the concessionary tax rate applicable to small enterprises due to the rise in their profit levels. In addition, no income tax credit was recognised for the losses incurred by the Hong Kong subsidiaries, as the likelihood of utilising these losses was considered remote. These factors collectively resulted in a higher effective tax rate for the Group.

Profit for the Year

As a result of the foregoing, the Group recorded a profit for the Year amounted to approximately HK\$10.1 million (Previous Year: approximately HK\$1.2 million).

Basic Earnings Per Share

The Company's basic earnings per share for the Year was approximately HK0.98 cents (Previous Year: approximately HK0.16 cents), representing an increase of approximately HK0.82 cents. Details of earnings per share are set out in note 11 to the consolidated financial information of this announcement.

Dividend

The Board did not recommend the payment of any final dividend for the year ended 31 December 2025 (Previous Year: nil).

Outlook and Prospects

Looking ahead to 2026, the global economic environment and industry trends will continue to shape the Group's strategic direction. According to the United Nations' World Economic Situation and Prospects 2026 report released in early 2026, while the global economy has exhibited a degree of resilience amid moderating inflation and accommodative monetary conditions, overall economic growth momentum remains subdued and may even fall below pre-pandemic levels. Notably, emerging economies in the Middle East and Central Asia have demonstrated comparatively strong stability, with projected growth of around 3.8%, expected to be supported by large-scale infrastructure projects and a recovery in tourism. This trend aligns closely with the Group's strategic focus on expanding its presence in the Middle East. Nevertheless, the global business landscape continues to face multiple challenges, including geopolitical risks and trade policy uncertainties, whose complexity in shaping the business environment cannot be overlooked.

The PRC real estate sector remains in a period of adjustment, with the strength and pace of its recovery yet to be fully observed. The decline in newly started housing construction has reached to a multi-year high, and residential supply has contracted noticeably, indicating that investment sentiment remains constrained by sluggish market confidence. Although the central government has continued to advance policies promoting a balanced approach to renting and purchasing, along with the development of affordable housing, the broader stimulative effects on the overall market are expected to emerge gradually, and structural optimisation of the market will take more time.

Research from Jones Lang LaSalle indicates that, while the high-end residential market in first-tier cities has maintained a certain level of support, transaction activity has remained below expectations. Meanwhile, second- and third-tier cities continue to face destocking pressures, with the release of upgrading demand dampened by cautious sentiment among prospective homebuyers. Against this backdrop, while structural opportunities persist in the design services sector, market competition is expected to intensify further, and client expectations regarding design quality, cost control, and end-to-end service capabilities will continue to rise. The Group will closely monitor policy outcomes and market developments, adopting a prudent yet proactive approach in navigating sector challenges.

In response to evolving market dynamics, the Group will steadfastly advance its strategic focus on "Rejuvenation, Diversification, and Internationalisation". "Rejuvenation" will be reflected in actively embracing technological change, increasing investment in areas such as artificial intelligence, and strengthening social media engagement and brand rejuvenation efforts to deepen connections with new generations of clients. "Diversification" will center on expanding business areas and innovating service models, building on the Group's established strengths in high-end residential and hotel design while actively exploring additional business segments. "Internationalisation" will enter a new phase, subject to prudent risk management, with plans to further expand overseas market presence, while maintaining flexibility in resource allocation, with a focus on markets offering long-term growth development potential, such as the Middle East and Asia market, while strengthening strategic partnerships with internationally recognised developers and hotel groups to continually enhance the brand's global influence.

As the Middle East region is currently facing ongoing military conflict, the Group will continue to closely monitor developments in the region, actively assess potential risks, and respond with appropriate adjustments to its internationalisation strategy as necessary, with a view to safeguarding operational stability and the Group's long-term interests.

At the same time, the Group is placing increased emphasis on the interior decorative products business to allow us to better meet clients' dual demands for efficient delivery and personalised aesthetic solutions, rounding out our comprehensive service offerings and enhancing the value proposition.

While pursuing business growth, the Group consistently prioritises financial stability and sustainable operations. We will continue to promote cost efficiency, strengthen cash flow management and risk controls, and maintain our professional standards and competitive edge. The Group will continue to uphold the spirit of “optimising internally while expanding globally,” balancing the deepening of our presence in the domestic market with the pursuit of international growth. Committed to leading through innovation, we are well-positioned to embrace the opportunities and navigate the challenges of 2026 with a clear and well-defined strategic direction.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and Financial Resources

The management and control of the Group’s financial, capital management and external financing functions are centralised at the headquarter 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 upon internally generated funds and bank borrowings.

As at 31 December 2025, the Group’s total debt (representing total interest-bearing borrowings excluding lease liabilities arising from the adoption of HKFRS 16) to total assets ratio was nil (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 nil (31 December 2024: approximately 6.6%). As at 31 December 2025, the Group had net cash (i.e. bank balances and cash less total debt) of approximately HK\$153.3 million (31 December 2024: approximately HK\$120.9 million).

As at 31 December 2025, the Group had no bank borrowings. As at 31 December 2024, the Group had unsecured bank borrowings of approximately HK\$20.0 million, which were guaranteed by the Company, and none of such borrowings were secured by pledged bank deposits. For details, please refer to note 18 to the consolidated financial statements of this announcement. Further costs for operations and expansion will be partially financed by the Group’s unutilised bank facilities. Bank borrowings during the Year were mainly for financing the Group’s daily operation only.

The liquidity of the Group remains positive as the current ratio (i.e. current assets/current liabilities) of the Group as at 31 December 2025 was approximately 2.9 (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 for development opportunities with a view to balancing the risk and opportunity in maximising value of the Company’s shareholders.

As at 31 December 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\$319.4 million (31 December 2024: approximately HK\$303.3 million), respectively.

Pledge of Assets and Restricted Bank Balances

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

As at 31 December 2025, the Group had restricted bank balance of approximately HK\$0.1 million which was due to a legal dispute in the PRC. As at 31 December 2024, the Group had restricted bank balances of approximately HK\$2.7 million due to legal disputes in the PRC. For details, please refer to notes 5 and 16 to the consolidated financial statements of this announcement.

Contingent Liabilities and Capital Commitments

As at 31 December 2025, the Group had contingent liabilities in respect of performance bond issued by a bank to guarantee the due and proper performance of the contractual obligation undertaken by the Company's subsidiary for a project amounting to approximately RMB158,000 (equivalent to approximately HK\$174,000) (31 December 2024: nil). The performance bond was issued in the ordinary course of business and is expected to be released in accordance with the terms of the relevant interior design contract.

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

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

The Group's bank borrowings during the Year were in Hong Kong dollars at floating rates. The Group operates in various regions with different foreign currencies including RMB and U.S. Dollar. The exchange rate of U.S. Dollar was relatively stable while RMB was more volatile during the Year. The Group has no hedging arrangements for foreign currencies or interest rates. The Group reviews the exchange risk regularly and closely monitors the fluctuation of foreign currencies and will make proper adjustments and consider hedging 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, the property market in the PRC remains in a recovery stage. Consequently with weak buyer sentiment persisting, the Group's credit risk remains at a high level.

Although the PRC government continues to implement measures to stabilise the property market, the recovery of demand-side confidence remains subdued. Meanwhile, the ongoing financial pressures on developers continue to exert downward pressure on the sector, resulting in a market environment characterised by mild recovery and persistent structural adjustments. According to data from the NBS, the sales area and the sales value of newly built residential properties recorded year-on-year declines of 9.2% and 13.0%, respectively. This prolonged weakness in market conditions has slowed the progress of certain projects and has also placed pressure on the Group's cash collection.

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 on a case-by-case basis. The Group conducts monthly review on ageing periods of receivables and quarterly review of project progress, and undertakes debt recovery actions for long-outstanding 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 assesses the recoverable amount of trade receivables and contract assets on a collective basis, except for balances relating to clients with distinct historical loss patterns or those deemed to be credit-impaired which are evaluated individually. This approach ensures that adequate impairment provisions would be made for irrecoverable amounts. When assessing impairment losses, the Group takes into account the characteristics and credit risks of different clients, ageing analysis, historical and subsequent settlement, any litigation or business disputes with clients, and other observable changes in economic conditions that correlate with default on receivables. Based on historical settlement record, it normally takes approximately three 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.

As at 31 December 2025, trade receivables (in gross amount) amounted to approximately HK\$258.5 million (31 December 2024: approximately HK\$226.3 million), representing an increase of approximately HK\$32.2 million. The increase in trade receivables was mainly resulted from significant growth in revenue of the Group and prolonged settlement procedures of certain groups of clients, which also led to the increase in the accumulated allowance to approximately HK\$101.7 million (31 December 2024: approximately HK\$87.6 million) and average loss rate of trade receivables to approximately 39.3% (31 December 2024: approximately 38.7%).

As at 31 December 2025, contract assets (in gross amount) slightly decreased by approximately HK\$1.6 million to approximately HK\$131.9 million (31 December 2024: approximately HK\$133.5 million). The decrease in contract assets primarily reflects our continued commitment to delivering high-quality services. This dedication has fostered greater efficiency and confidence among clients, resulting in a more streamlined and expedited approval process for design drawings. Despite the decrease in contract assets, the accumulated allowance for credit losses for contracts assets increased to approximately HK\$47.6 million (31 December 2024: approximately HK\$43.2 million) and the average loss rate also increased to approximately 36.1% (31 December 2024: approximately 32.4%). The increase was mainly attributable to the deferral or change in the designated use of certain projects, arising from developers' judgment to project positioning or their decision to suspend development pending a further recovery of the PRC property market.

As at 31 December 2025, the overall accumulated allowance for credit losses was approximately HK\$149.3 million (31 December 2024: approximately HK\$130.8 million), and the average loss rate was approximately 38.2% (31 December 2024: approximately 36.4%). As of the date of this announcement, approximately HK\$40.6 million of the trade receivables as at 31 December 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 31 December 2025 has been performed appropriately and sufficient impairment losses has been made.

Risk Management

In order to broaden its 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. The Group will continue to strengthen the internal control and risk control procedures by regularly reviewing the market risk (include foreign exchange risk and interest rate risk), operation risk, finance risk, policy risk, legal risk, political risk, contract risk and credit risk of clients and the markets.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there were no significant events subsequent to 31 December 2025 and up to the date of this announcement which may materially affect the Group's operating and financial performance.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 20 to the consolidated financial information of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 413 (31 December 2024: 401) full-time employees. The total remuneration of the employees (including the Directors' remuneration) was approximately HK\$188.5 million for the Year (Previous Year: approximately HK\$166.3 million). The increase in total remuneration of the employees was mainly due to the increase in the average salaries of employees during the Year and the severance payments for staff optimisation in 2025 for the purpose of improving operations effectiveness and efficiency of the Group.

To retain our competitiveness, the Group continues to offer attractive remuneration package, discretionary bonus and may also grant share incentives to eligible staff based on individual performance in recognition of their contribution and hard work. The Group also provides external training programme which are complementary to certain job functions.

SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITION AND DISPOSALS

The Group did not hold any significant investments as at 31 December 2025. The Group's management, investment committee and the Board will review investment opportunities and market risk from time to time, and monitor the financial position of the Group in order to balance the risk and investment opportunities in maximising shareholders' value.

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any plans for material investments and capital assets as at 31 December 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIVIDEND

The Board did not recommend the payment of any final dividend for the Year.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and voting at the AGM to be held on 21 May 2026, the register of members of the Company will be closed from 18 May 2026 to 21 May 2026, 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 branch share registrar of the Company in Hong Kong, TRICOR INVESTOR SERVICES LIMITED, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 15 May 2026 (Friday).

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

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

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 extent 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 for the Year and up to the date of this announcement.

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 Issuer (the "**Model Code**") set out in Appendix C3 to 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 Year.

AUDIT COMMITTEE REVIEW

The audit committee of the Board (the “**Audit Committee**”) has reviewed with the Group’s management and auditor, BDO Limited, the accounting principles and policies adopted by the Group, reviewed and discussed the financial information of the Group and the annual results of the Group for the Year.

The Audit Committee comprises all the three independent non-executive Directors, namely Mr. Tsang Ho Ka Eugene (Chairman of the Audit Committee), Mr. Liu Yi and Ms. Wang Wanjun. Members of the Audit Committee agree with the accounting treatments adopted in the preparation of the consolidated financial statements for the Year.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the 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 on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is available for reviewing on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.sldgroup.com>), and the annual report of the Company for the Year containing the information required by the Listing Rules will be despatched to the Company’s 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 for their support and commitment to the Group during these challenging years.

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, 19 March 2026

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. Liu Yi, Mr. Tsang Ho Ka Eugene and Ms. Wang Wanjun.