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MAN SHUN GROUP (HOLDINGS) LIMITED

萬順集團(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1746)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

FINANCIAL HIGHLIGHTS

- The Group recorded revenue of approximately HK\$97,616,000 for the year ended 31 December 2025 (2024: approximately HK\$131,256,000).
- Loss for the year attributable to equity shareholders of the Company for the year ended 31 December 2025 amounted to approximately HK\$2,513,000 (2024: approximately HK\$6,861,000).
- Basic and diluted loss per share for the year ended 31 December 2025 were HK0.25 cents (2024: HK0.69 cents).
- The board of directors does not recommend the payment of final dividend for the year ended 31 December 2025.

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Man Shun Group (Holdings) Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Note</i>	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Revenue	4	97,616	131,256
Cost of services		<u>(80,354)</u>	<u>(117,874)</u>
Gross profit		17,262	13,382
Other income	5	4,413	8,061
Administrative expenses		(24,140)	(28,286)
Finance costs	6(a)	<u>(62)</u>	<u>(88)</u>
Loss before taxation	6	(2,527)	(6,931)
Income tax credit	7	<u>14</u>	<u>70</u>
Loss and total comprehensive expense for the year		<u>(2,513)</u>	<u>(6,861)</u>
Loss per share (HK cents)	9		
— Basic		<u>(0.25)</u>	<u>(0.69)</u>
— Diluted		<u>(0.25)</u>	<u>(0.69)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current asset			
Property, plant and equipment		1,748	1,661
Current assets			
Inventories		2,337	796
Trade and other receivables	<i>10</i>	39,376	50,828
Contract assets	<i>11(a)</i>	11,241	17,990
Tax recoverable		–	203
Cash at bank and in hand		84,995	65,023
		<u>137,949</u>	<u>134,840</u>
Current liabilities			
Trade and other payables	<i>12</i>	15,702	14,274
Contract liabilities	<i>11(b)</i>	4,360	379
Lease liabilities		975	728
		<u>21,037</u>	<u>15,381</u>
Net current assets		<u>116,912</u>	<u>119,459</u>
Total assets less current liabilities		<u>118,660</u>	<u>121,120</u>
Non-current liabilities			
Lease liabilities		193	126
Deferred tax liabilities		13	27
		<u>206</u>	<u>153</u>
Net assets		<u>118,454</u>	<u>120,967</u>
Capital and reserves			
Share capital		10,000	10,000
Reserves		108,454	110,967
Total equity		<u>118,454</u>	<u>120,967</u>

NOTES TO THE ANNOUNCEMENT

1. GENERAL INFORMATION

Man Shun Group (Holdings) Limited and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the provision of installation of heat, ventilation and air-conditioning system (the “**HVAC**”) business in Hong Kong. The Company was incorporated in the Cayman Islands on 11 April 2017 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law of 1961, as consolidated and revised) of the Cayman Islands. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 11 July 2018 (the “**Listing**”).

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial information set out in this announcement does not constitute the Group’s statutory financial statements for the year ended 31 December 2025, but is derived from those financial statements.

The Group’s consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The measurement basis used in the preparation of the Group’s consolidated financial statements is the historical cost basis.

The financial 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 compared by the Group’s auditor, D & PARTNERS CPA LIMITED, Certified Public Accountants, to the amounts set out in the Group’s draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by D & PARTNERS CPA LIMITED in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the auditor.

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA to these consolidated financial statements for the current accounting period:

— Amendments to HKAS 21, *Lack of Exchangeability*

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received or receivable from the service contracts by the Group to external customers. The Group's operation is solely derived from provision of HVAC business in Hong Kong during the years ended 31 December 2025 and 2024. For the purpose of resources allocation and performance assessment, the chief operating decision maker reviews the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment and no further discrete financial information nor analysis of this single segment is presented.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by timing of revenue recognition and type of service are as follows:

Revenue from contracts with customers within the scope of HKFRS 15

	2025 HK\$'000	2024 HK\$'000
Disaggregated by timing of revenue recognition		
Products transferred at a point in time	13,629	41,924
Services transferred over time	83,987	89,332
	<u>97,616</u>	<u>131,256</u>
Disaggregated by type of service		
Installation services only	27,966	16,796
Installation services with HVAC systems procurements	69,650	114,460
	<u>97,616</u>	<u>131,256</u>

(b) Geographical information

The Company is an investment holding company and the principal place of the Group's operation is in Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regards Hong Kong as its place of domicile. No geographical information is presented as the Group is principally engaged in HVAC business in Hong Kong.

(c) Information about major customers

The Group's customer base includes four (2024: four) customers with whom transactions have exceeded 10% of the Group's revenue. Revenue from customers during the year ended 31 December 2025 contributing over 10% of the total revenue of the Group is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	30,907	26,516
Customer B (<i>Note</i>)	21,017	2,138
Customer C	18,053	46,323
Customer D	14,972	41,296

Note:

The transactions did not exceed 10% of the Group's revenue during the year ended 31 December 2024.

5. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	1,241	2,444
Repair and other service income	2,792	5,071
Gain on early termination of lease	–	3
Gain on disposal of property, plant and equipment	–	174
Over-provision of long service payment	22	133
Reversal of expected credit loss on trade and other receivables and contract assets	172	–
Sundry income	186	236
	<u>4,413</u>	<u>8,061</u>

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
(a) Finance costs		
Interest on lease liabilities	<u>62</u>	<u>88</u>
(b) Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	23,463	25,254
Contributions to defined contribution retirement plan	<u>791</u>	<u>844</u>
	<u>24,254</u>	<u>26,098</u>
(c) Other items		
Depreciation		
— owned property, plant and equipment	338	369
— right-of-use assets, including in cost of services	543	544
— right-of-use assets, including in administrative expenses	<u>870</u>	<u>857</u>
	<u>1,751</u>	<u>1,770</u>
Net impairment of expected credit loss on trade and other receivables and contract assets	(172)	2,812
Written off on contract assets	–	842
Over-provision of long service payment	(22)	(133)
Gain on disposal of property, plant and equipment	–	(174)
Auditors' remuneration	<u>680</u>	<u>680</u>

7. INCOME TAX CREDIT

Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax — Hong Kong Profits Tax		
Over-provision in respect of prior years	–	(60)
Deferred tax		
Origination of temporary differences	<u>(14)</u>	<u>(10)</u>
	<u>(14)</u>	<u>(70)</u>

Hong Kong Profit Tax is calculated at 16.5% in the estimated assessable profit for both years.

No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries in Hong Kong have either sustained losses for tax purpose or their unused tax losses were sufficient to cover their estimated assessable profits for the years ended 31 December 2025 and 2024.

8. DIVIDEND

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Special dividend — HK2.40 cents per ordinary share	<u>–</u>	<u>24,000</u>

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

9. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK\$2,513,000 (2024: HK\$6,861,000) and the weighted average of 1,000,000,000 ordinary shares (2024: 1,000,000,000 ordinary shares) in issue during the year.

(b) Diluted loss per share

The amount of diluted loss per share is the same as the basic loss per share for the years ended 31 December 2025 and 2024 as there were no dilutive potential ordinary shares in issue.

10. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Trade receivables, net of loss allowance	16,466	27,226
Deposits, prepayment and other receivables, net of loss allowance	1,010	1,791
Retention receivables, net of loss allowance	21,900	21,811
	<u>39,376</u>	<u>50,828</u>

As at 31 December 2025, the amounts of retention receivables expected to be recovered after more than one year is approximately HK\$16,929,000 (2024: HK\$15,796,000). All of the other trade and other receivables are expected to be recovered or recognised as expense within one year.

Ageing analysis

At the end of the reporting period, the ageing analysis of trade receivables, based on the date of payment certificate and net of loss allowance, is as follows:

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Within 1 month	13,531	21,463
1 to 3 months	2,841	5,360
Over 3 months	94	403
	<u>16,466</u>	<u>27,226</u>

Trade receivables are due within 30 to 45 days from the date of payment certificate.

11. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Arising from performance under installation contracts, net of loss allowance	<u>11,241</u>	<u>17,990</u>
Receivables from contracts with customers within the scope of HKFRS 15, which are included in "Trade and other receivables"	<u>38,366</u>	<u>49,037</u>

(b) Contract liabilities

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Contract liabilities		
Installation contracts		
— Billings in advance of performance	<u>4,360</u>	<u>379</u>

12. TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Trade payables	5,730	4,261
Accrued subcontracting costs	6,324	6,607
Other payables and accruals	3,501	3,209
Provision for long service payment	<u>147</u>	<u>197</u>
	<u>15,702</u>	<u>14,274</u>

All of the trade and other payables are expected to be settled within one year. 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
Within 1 month	4,198	1,023
1 to 2 months	528	2,886
2 to 3 months	267	352
Over 3 months	<u>737</u>	<u>—</u>
	<u>5,730</u>	<u>4,261</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an established HVAC electrical and mechanical (“**HVAC E&M**”) engineering services provider in Hong Kong with a long business history dating back to 1996. The Group generally focuses on serving new residential property developments projects as a first-tier or second-tier subcontractor in Hong Kong. The HVAC E&M engineering services typically involve installation of HVAC systems, which refers to heat, ventilation and air-conditioning systems.

The Group is registered as a Registered Electrical Contractor under the Electrical and Mechanical Services Departments of the Government, a minor works contractor (company) of Type A (Classes II and III), Type D (Classes II and III) and Type E (Classes II and III) under the Building Authority and a registered subcontractor under the Subcontractor Registration Scheme operated by the Construction Industry Council.

In order to strengthen the market position as a prime HVAC E&M engineering services provider and become the preferred choice of first-tier HVAC E&M engineering subcontractor for property developers in Hong Kong, the Group continues to strengthen the financial management and licensing qualifications, securing the positioning in the property development value chain and pursuing new business opportunities directly with property developers and/or their designated main contractors.

FINANCIAL REVIEW

Revenue

By timing of revenue recognition:

	Year ended 31 December			
	2025		2024	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Services transferred over time	83,987	86	89,332	68
Products transferred at a point in time	13,629	14	41,924	32
	97,616	100	131,256	100

By type of services:

	Year ended 31 December			
	2025		2024	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Installation services only	27,966	29	16,796	13
Installation services with HVAC systems procurements	69,650	71	114,460	87
	<u>97,616</u>	<u>100</u>	<u>131,256</u>	<u>100</u>

During the year ended 31 December 2025, the Group's revenue decreased by approximately HK\$33,640,000 or 25.6% to approximately HK\$97,616,000. The decrease was mainly due to several projects reached the completion stage and only a few new projects commenced during the year.

Cost of services

	Year ended 31 December			
	2025		2024	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Subcontracting fees	44,301	55	43,956	37
Materials and consumables	21,055	26	54,565	47
Direct labour	10,838	14	12,919	11
Storage fee	1,665	2	3,722	3
Others	2,495	3	2,712	2
	<u>80,354</u>	<u>100</u>	<u>117,874</u>	<u>100</u>

The Group's cost of services mainly represented the cost of HVAC systems and other ancillary consumables such as pipes and fittings and subcontracting charges for completing on-site works. The cost of services decreased by approximately HK\$37,520,000 or 31.8% to approximately HK\$80,354,000 for the year ended 31 December 2025, as compared to approximately HK\$117,874,000 for the year ended 31 December 2024. The decrease was mainly due to the decrease in revenue.

Gross profit and gross profit margin

The Group's gross profit increased by approximately HK\$3,880,000 or 29.0% from approximately HK\$13,382,000 for the year ended 31 December 2024 to approximately HK\$17,262,000 for the year ended 31 December 2025. The Group's gross profit margin increased from approximately 10.2% for the year ended 31 December 2024 to approximately 17.7% for the year ended 31 December 2025. The increase in the gross profit margin was mainly due to substantial amount of revenue were recognised from projects with higher profit margin in this year.

Other income

The other income mainly consisted of bank interest income and other services income, which principally included repairing and other installation services recognised for the year ended 31 December 2025.

The decrease was mainly due to the dropped in revenue derived from repairment works and selling materials and lower bank interest income due to a drop in bank interest rates for the year ended 31 December 2025.

Administrative expenses

Administrative expenses mainly comprised staff costs, meals and entertainment expenses, depreciation expenses, transportation expenses and others. Administrative expenses decreased from approximately HK\$28,286,000 for the year ended 31 December 2024 to approximately HK\$24,140,000 for the year ended 31 December 2025. The decrease in administrative expenses of the Group was mainly due to a reversal of impairment of expected credit loss on trade and other receivables and contract assets and decrease in the cost of repairing and other installation services which in line with the decrease in revenue from repairment works.

Finance costs

Finance costs of approximately HK\$62,000 (2024: approximately HK\$88,000) for the year ended 31 December 2025 represented interest expenses on lease liabilities.

Income tax expense

No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries in Hong Kong have either sustained losses for tax purpose or their unused tax losses were sufficient to cover their estimated assessable profits for the years ended 31 December 2025 and 2024.

Total comprehensive expense attributable to equity shareholders of the Company

For the year ended 31 December 2025, the Group's loss and total comprehensive expense attributable to equity shareholders of the Company was approximately HK\$2,513,000 (2024: approximately HK\$6,861,000).

Dividend

The Board does not recommend the payment of a special dividend for the year ended 31 December 2025 (2024: HK2.40 cents per ordinary share).

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

Trade and other receivables

Trade receivables decreased by approximately HK\$10,760,000 from approximately HK\$27,226,000 as at 31 December 2024 to approximately HK\$16,466,000 as at 31 December 2025. As at 31 December 2024, the trade receivable balance included payment certificates of approximately HK\$8,000,000 issued near the end of the financial year resulting in a higher trade receivable balance when compared with that as at 31 December 2025.

Retention receivables slightly increased by approximately HK\$89,000 from approximately HK\$21,811,000 as at 31 December 2024 to approximately HK\$21,900,000 as at 31 December 2025. The increase in retention receivables was the net effect of retention recovered, addition of retention based on project progress and the decrease in the impairment of expected credit loss.

Deposits, prepayment and other receivables decreased by approximately HK\$781,000 from approximately HK\$1,791,000 as at 31 December 2024 to approximately HK\$1,010,000 as at 31 December 2025. The decrease in the balance was mainly due to the deposits paid for raw materials near the end of financial year as at 31 December 2024 are realised during the year.

Trade and other payables

Trade payables increased by approximately HK\$1,469,000 from approximately HK\$4,261,000 as at 31 December 2024 to approximately HK\$5,730,000 as at 31 December 2025. The increase was mainly driven by significant purchases of copper tube for inventory near the end of financial year as at 31 December 2025.

FUTURE PROSPECTS

Looking ahead, the Group will further expand the service capabilities to capture business opportunities and provide customers with comprehensive HVAC E&M engineering services with a prudent financial management strategy, pursuing a long-term healthy business growth and stable return to the shareholders.

The construction industry in Hong Kong is expected to face sustained pressure on profitability due to several structural and market driven challenges. Intense competition for a limited number of projects will likely continue to compress profit margins and place slight downward pressure on tender prices. At the same time, persistently high labour costs and a shortage of skilled workers remain longstanding issues that further constrain margins. Additionally, volatility in global supply chains is anticipated to drive operating costs higher, adding further pressure to the Group's overall performance. Nevertheless, we are constantly evaluating our team to ensure that we are optimizing our competitiveness.

Despite the challenges and the overall uncertainties in the recent times, the Group will constantly show perseverance in its development and its ability to obtain new projects. As a result of the endure hard work by the management, five new projects of total contract sum of approximately HK\$183 million were awarded to the Group during the year ended 31 December 2025. In addition, the Group will continue to enhance its budget management, upgrade its ability in plan execution and budget control in order to further improve its management standard and secure stable and sustainable development of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had net current assets of approximately HK\$116,912,000 as at 31 December 2025 (2024: approximately HK\$119,459,000). The quick ratio of the Group was approximately 6.4 times as at 31 December 2025 (2024: approximately 8.7 times). The Group generally financed its daily operations by its internal resources. The remaining unused net proceeds as at 31 December 2025 were placed as interest-bearing deposits with licensed banks in Hong Kong.

CAPITAL STRUCTURE

There is no change in the Company's share capital during the year.

FINANCIAL POLICIES

The Group is exposed to liquidity risk in respect of the settlement of its trade payables and financing obligations, and its cash flow management. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in both the short and long terms.

GEARING RATIO AND DEBT TO EQUITY RATIO

The Group's gearing ratio, which is calculated based on the total debt divided by total equity (defined as lease liabilities as at the respective year divided by the total equity as at the respective corresponding year) was approximately 1.0% as at 31 December 2025 (2024: approximately 0.7%).

The Group's debt to equity ratio, which is calculated based on the total debt (defined as the lease liabilities minus cash and cash equivalents as at the respective year end divided by total equity as at the respective corresponding year) was not applicable due to the Group recorded net cash position as at 31 December 2025.

CAPITAL EXPENDITURE

During the year ended 31 December 2025, the Group invested approximately HK\$1,838,000 (2024: approximately HK\$1,482,000) in property, plant and equipment, mainly represented motor vehicles, computer and office equipment and other properties leased for own use.

CAPITAL COMMITMENTS

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

CONTINGENT LIABILITIES

As at 31 December 2025, contingent liabilities not provided for in the consolidated financial statements were as follows:

	2025	2024
	HK\$'000	HK\$'000
Court proceedings (<i>Note</i>)	<u>872</u>	<u>872</u>

Note:

In 2020, a subcontractor (“**the plaintiff**”) sued Man Tung Air-Conditioning Works Limited (“**Man Tung AC Works**”), a subsidiary of the Company for the amount due of HK\$871,664 for the ventilation fans installation works. Currently, Man Tung AC Works is waiting for 1st court session. Based on the legal advice and an assessment of the potential business and financial impact, the Board believes the Group has a meritorious defense and a reasonable chance of success in defending the action and securing the counterclaims, therefore there is no present obligation to make any provision for the case at this stage.

CHARGES ON THE GROUP’S ASSETS

No property, plant and equipment has been pledged as at 31 December 2025 and 2024.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2025, the Group did not have any significant investment, material acquisition nor disposal of subsidiaries and affiliated companies (2024: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the prospectus of the Company dated 28 June 2018 (the “**Prospectus**”), the Group did not have other future plans for material investments or capital assets.

FOREIGN EXCHANGE RISK MANAGEMENT

The Group's monetary assets, liabilities and transactions are principally denominated in Hong Kong dollars. The Group is not significantly exposed to foreign currency risk arising from monetary assets and liabilities that are denominated in currencies other than the functional currencies of the respective group entities.

The Group currently does not have a foreign currency hedging policy as the foreign currency risk is considered to be insignificant. However, the management will continue to closely monitor the Group's foreign exchange risk exposure and will consider hedging significant foreign exchange exposure when necessary.

INFORMATION ON EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 59 employees (2024: 64 employees) with total staff costs (including Directors' emoluments) of approximately HK\$24,254,000 incurred for the year ended 31 December 2025 (2024: approximately HK\$26,098,000). The Group's remuneration packages are generally structured with reference to market terms and individual merits. The remuneration committee of the Company makes recommendations to the Board on the overall remuneration policy and structure for the Directors and senior management.

DEED OF NON-COMPETITION

The controlling shareholders of the Company, namely Mr. Cheung Yuen Tung, Mr. Cheung Yuen Chau and Prime Pinnacle Limited (collectively, the "**Controlling Shareholders**") entered into a deed of non-competition dated 8 June 2018 ("**Deed of Non-competition**") in favour of the Company (for itself and as trustee for each of its subsidiaries). For details of the Deed of Non-competition, please refer to the section headed "Relationship with the Controlling Shareholders — Deed of Non-competition" in the Prospectus of the Company. Each of the Controlling Shareholders has confirmed that none of them is engaged in or interested in any business (other than the Group) which, directly or indirectly, competes or may compete with the business of the Group. The independent non-executive Directors have also reviewed the status of compliance and written confirmation from each of the Controlling Shareholders, and confirmed that all the undertakings under the Deed of Non-competition have been complied with by each of the Controlling Shareholders since 11 July 2018 and up to the date of this announcement.

COMPETING INTEREST

Since the Listing and up to the date of this announcement, none of the Directors or the Controlling Shareholders of the Company or their close associates are interested in any business which competes or may compete, either directly or indirectly, with the business of the Group nor any conflicts of interest which has or may have with the Group.

USE OF PROCEEDS

The Company successfully listed on the Stock Exchange on 11 July 2018 and 250,000,000 ordinary shares were issued at HK\$0.52 per share by way of share offer (the “**Share Offer**”). Net proceeds from the Share Offer was approximately HK\$102.4 million (after deducting the underwriting fees and other related expenses).

The net proceeds used for the intended purposes as was set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus. Set out below is the actual utilisation of net proceeds up to the date of this announcement:

	Net proceeds <i>HK\$'000</i>	Utilised <i>HK\$'000</i>	Unutilised <i>HK\$'000</i>	Expected timeline
Procurement of HVAC systems	87,654	87,654	–	
Taking out surety bonds	4,608	4,226	382	End of 2026
General working capital	10,138	10,138	–	
	<u>102,400</u>	<u>102,018</u>	<u>382</u>	

SHARE OPTION SCHEME

Pursuant to a resolution passed by all the shareholders on 8 June 2018, the Company has conditionally adopted the share option scheme (the “**Share Option Scheme**”) for the purpose of providing incentives or rewards to the eligible participants for their contribution to the Group and enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. The Board is entitled at any time and from time to time grant options pursuant to the Share Option Scheme to the directors of the Company’s subsidiaries and employees of the Group and any other persons (including consultants or advisers) whom the Board considers have contributed or will contribute to the Group. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

The Board may, at its discretion, determine the minimum period for which the option has to be held before it can be exercised, and the period during which an option may be exercised. However, no options shall be exercised ten years after they have been granted. The subscription price of a share in respect of a particular option shall be not less than the highest of (i) the closing price of the shares as stated in the Stock Exchange’s on the daily quotation sheet on the date of the grant of the option, which must be a trading day; (ii) the average closing price of the shares as stated in the Stock Exchange’s daily quotations sheets for the five trading days immediately preceding the date of the grant of the option; and (iii) the nominal value of a share. The Share Option Scheme shall take effect from the date it is adopted and shall remain effective within a period of 10 years from that date.

From the date that the Share Option Scheme became effective and unconditional and up to the date of this announcement, no share options were granted under the Share Option Scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2025, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s securities listed on the Stock Exchange.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE LISTING RULES

The Board has been adamant in upholding high standards of corporate governance to maximize operational efficiency, corporate values and shareholder returns. The Company has adopted and applied the principals of the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Listing Rules. The Company will continue to upgrade internal control system, strengthen risk control management and reinforce the corporate governance structure.

The Company has complied with the code provisions and, where appropriate, the applicable recommended best practices set out in the CG Code throughout the year ended 31 December 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 1 June 2026 to Thursday, 4 June 2026 (both days inclusive), for the purpose of determining Shareholders’ entitlement to attend and vote at the annual general meeting. In order to be eligible to attend and to vote at the annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 29 May 2026.

EVENT AFTER THE REPORTING PERIOD

No event has occurred after 31 December 2025 and up to the date of this announcement which would have a material effect on the Group.

MODEL CODE OF SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors’ securities transactions.

The Company has made specific enquiry to all Directors regarding the compliance with the Model Code. All Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2025.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) is responsible for assisting the Board in safeguarding the Group’s assets by providing an independent review of the effectiveness of the financial reporting process and the internal controls and risk management systems of the Group. It also performs other duties as assigned by the Board.

The Audit Committee has discussed with the management of the Group and reviewed this annual financial results announcement and the consolidated financial statements for the year ended 31 December 2025, including the accounting policies and standards adopted by the Group, and discussed financial related matters.

The Audit Committee comprises three independent non-executive Directors and chaired by Ms. Ngai Yuk Chun who has appropriate professional qualifications and experience as required by the Listing Rules.

PUBLICATION OF ANNUAL RESULTS AND 2025 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

A copy of this announcement will be available from the Company’s website at www.manshungroup.com.hk and the Stock Exchange’s website at www.hkexnews.hk. The annual report for the year ended 31 December 2025 containing all the information required by Appendix D2 to the Listing Rules will be despatched to the shareholders of the Company and will be published on the aforesaid websites of the Company and the Stock Exchange in due course in accordance with the Listing Rules.

By order of the Board
Man Shun Group (Holdings) Limited
Cheung Yuen Tung
Chairman and Executive Director

Hong Kong, 30 March 2026

As at the date of this announcement, the executive Directors are Mr. Cheung Yuen Tung and Mr. Cheung Yuen Chau; and the independent non-executive Directors are Mr. Pang Kam Fai, Dickson, Mr. Law Chung Lam, Nelson and Ms. Ngai Yuk Chun.