DESIGN WITHOUT LIMITS

STEVE LEUNG DESIGN GROUP LIMITED

INTERIM REPORT 2026

Stock Code : 2262

SLD

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

LEUNG Chi Tien Steve, BBS
SIU Man Hei *(Chief Executive Officer)*
YIP Kwok Hung Kevin *(Chief Financial Officer)*

Non-Executive Directors

XU Xingli *(Chairman)*
DING Jingyong
WONG Man Hei

Independent Non-Executive Directors

LIU Yi
TSANG Ho Ka Eugene
WANG Wanjun

AUDIT COMMITTEE

TSANG Ho Ka Eugene *(Chairman)*
LIU Yi
WANG Wanjun

REMUNERATION COMMITTEE

LIU Yi *(Chairman)*
XU Xingli
TSANG Ho Ka Eugene

NOMINATION COMMITTEE

XU Xingli *(Chairman)*
TSANG Ho Ka Eugene
WANG Wanjun

RISK MANAGEMENT COMMITTEE

TSANG Ho Ka Eugene *(Chairman)*
YIP Kwok Hung Kevin *(Chief Financial Officer)*
SIU Man Hei *(Chief Executive Officer)*

INVESTMENT COMMITTEE

XU Xingli *(Chairman)*
SIU Man Hei *(Chief Executive Officer)*
YIP Kwok Hung Kevin *(Chief Financial Officer)*
TSANG Ho Ka Eugene
DING Jingyong

COMPANY SECRETARY

YIP Kwok Hung Kevin *(Chief Financial Officer)*

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

30/F Manhattan Place
23 Wang Tai Road
Kowloon Bay
Hong Kong

CORPORATE INFORMATION (CONTINUED)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

TRICOR INVESTOR SERVICES LIMITED
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUTHORISED REPRESENTATIVES

YIP Kwok Hung Kevin *(Chief Financial Officer)*
SIU Man Hei *(Chief Executive Officer)*

INDEPENDENT EXTERNAL AUDITOR

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor in accordance with the Financial Reporting Council Ordinance

PRINCIPAL BANKERS

Hang Seng Bank Limited
Dah Sing Bank

STOCK CODE

2262

COMPANY'S WEBSITE

www.sldgroup.com

INVESTOR RELATIONS CONTACT

ir@steveleung.com

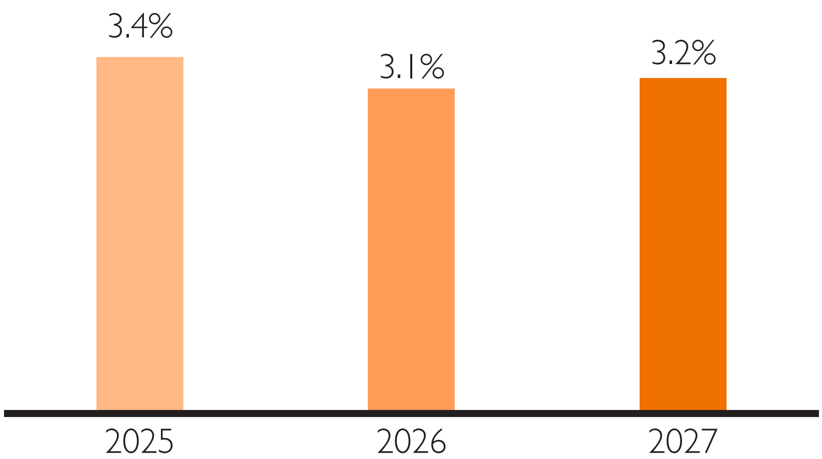
MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

In the first half of 2026, the global economic recovery remained protracted, while ongoing geopolitical conflicts continued to destabilise international supply chains and cost structures, resulting in heightened macroeconomic uncertainties. Against this backdrop, the economy of the People's Republic of China (the "**PRC**") maintained steady operations under the strategic framework of "seeking steady growth while optimising structural adjustments". Nevertheless, the domestic real estate market continued to undergo significant structural realignment and intensive inventory clearance. Consequently, the interior design industry faced the dual imperatives of a contracting incremental market and the revitalisation of existing inventory. The core growth logic of the industry has fundamentally pivoted from being driven by new-build fully-fitted residential projects to the optimisation and upgrading of existing spatial stock. In the face of these substantial operational headwinds, the Group has proactively demonstrated its corporate resilience in the interior design industry, steadily advancing its strategic transformation in response to this evolving market landscape.

The global economy faced widespread downward pressures during the period of turbulence. According to the *World Economic Outlook Report* published by the International Monetary Fund (the "**IMF**") in April 2026, the global economic growth forecast for 2026 was revised downward by 0.2% to 3.1%, while the global inflation forecast was raised to 4.4%, characterised by persistent high inflation and decelerating growth and placed widespread downward pressure on corporate profitability worldwide.

WORLD ECONOMIC OUTLOOK APRIL 2026
GLOBAL ECONOMIC GROWTH FORECAST



Source: IMF

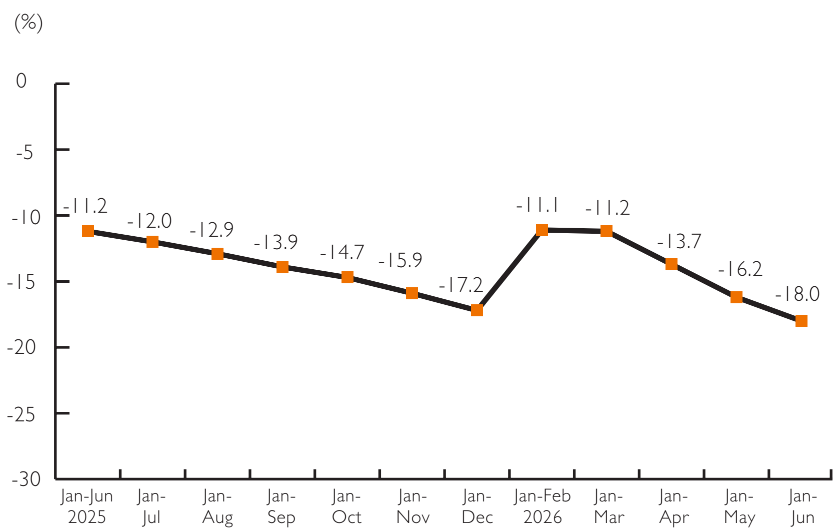
Shifting geopolitical dynamics and evolving trade policies also generated significant spillover effects across the economic spectrum. Continued instability in the Middle East triggered sharp increases in global oil prices and fuel surcharges, directly driving up cross-border logistics, transportation, building material distribution, and raw materials costs, which are the essential components for our interior design projects. These developments have exerted widespread pressure on profit margins across the industry.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

According to the 2026 State Council Report on the Work of the Government, the nation's annual GDP growth target was anchored between 4.5% and 5.0%. This target was supported by proactive fiscal and prudent monetary policies, including the strategic issuance of ultra-long special treasury bonds to fully promote economic structural upgrading. Nonetheless, the domestic real estate market remained in a phase of deep structural adjustment and intensive inventory clearance, which restricted upstream and downstream demand across correlated industries.

Data from the National Bureau of Statistics of China (the "**NBS**") indicated that for the first half of 2026, real estate development investment fell by 18.0% year-on-year, while the newly started construction area dropped by 23.4%. Meanwhile, data released by the PRC Index Academy showed that the transaction volume of new commercial residential properties across 100 core cities decreased by approximately 12% year-on-year in the first half of 2026. Notably, secondary property transactions accounted for nearly 70% of total volume across first-tier and core second-tier cities. This indicates that the dividend from "incremental business" – once driven by massive new property launches and bulk fully-fitted residential projects – is rapidly drawing to a close. Instead, the concentration of secondary market transactions and the accelerating demand for existing home remodeling have shifted the interior design industry's focus squarely toward existing property renovations and spatial stock optimisation.

Growth Rate of National Investment in Real Estate Development



Source: the NBS

To stabilise property market expectations and foster a healthy industry cycle, central and local governments implemented targeted, counter-cyclical adjustment measures in the first half of 2026. Authorities comprehensively accelerated "urban renewal" initiatives and the "renovation of old residential communities" to stimulate demand for retrofits of existing residential and commercial properties. First-tier cities, such as Shanghai and Guangzhou, normalised "trade-in" housing pilot programs, which complemented the central government's consumer stimulus initiatives. Furthermore, under the guidance of "city-specific policies" and "inventory reduction," local governments were encouraged to acquire unsold commercial properties for conversion into affordable rental or shared-ownership housing.

Despite the intensive rollout of these supportive policies, the restoration of market confidence remained gradual. Property developers continued to adopt a cautious approach toward new investments, leading to a general slowdown in project commencements. This directly resulted in a substantial contraction in bulk interior design tenders and public decoration projects initiated by developers.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

OVERALL PERFORMANCE AND BUSINESS REVIEW

As a highly reputable brand in the interior design sector, the Group has consistently maintained a leading position in the premium market, anchored in its exceptional creative capabilities, stringent quality control, and strong brand equity.

In the first half of 2026, the global macroeconomic environment remained volatile and uncertain. Persistent geopolitical tensions, unresolved localised conflicts, and shifting international trade policies collectively amplified global supply chain volatility and inflationary pressures.

Against the backdrop of slowing macroeconomic growth, investment sentiment in the PRC property market shifted toward caution, giving rise to a long-term structural pattern characterised by "contracting new property supply and rising existing property transactions." Although various property market regulatory policies were implemented nationwide during the first half of this year, including the normalisation of "property trade-in" schemes in Shanghai and Guangzhou, the acquisition of unsold commercial housing across multiple regions for conversion into affordable rental housing, and the allocation of central government special funds for the renovation of old urban residential communities, property developers' willingness to invest and develop remained slow to recover. As a result, the bidding scale for large-scale residential communities and commercial bulk fit-out design projects declined significantly, leading to a deceleration in demand growth within the interior design industry. Undoubtedly, this created substantial headwinds for the Group's overall operating environment. As at 30 June 2026, the aggregate remaining contract sum of the Group was approximately HK$544.9 million (31 December 2025: approximately HK$560.0 million).

Despite these formidable headwinds, the Group has proactively taken responsive measures to innovate its business models and drive diversification, including exploring overseas markets and high potential new business segments to capture new opportunities. During the six months period ended 30 June 2026 (the "**Period**"), we continued to deepen our market penetration with the proportion of awarded contract values from Hong Kong, Macao and Taiwan, and overseas markets increasing significantly to approximately 30.2%. This strategy not only enabled us to unlock new revenue streams, but also further strengthened our competitive edge in a tightening market.

At the same time, we maintained a prudent yet focused approach to business development, actively secured high-quality project orders with strong value-adding potential and promising returns, while systematically nurturing long-term strategic relationships with existing clients. The Group has established a comprehensive, multi-dimensional client selection and evaluation mechanism to rigorously screen and select high-quality clients. We prioritise deepening our relationships with collaborative partners who demonstrate robust financial strength, excellent credit credentials, and outstanding industry reputations. We also strategically focus on leading enterprises and premium institutional client segments that exhibit long-term growth potential, stable operational capabilities, and a sustained willingness for strategic cooperation.

On the foundation of pursuing design excellence, the Group continuously refines its project delivery standards and implements stringent quality control measures. Furthermore, we have proactively steered clear of the 'red ocean' of low-price competition, significantly mitigating the adverse impact of market saturation on our profit margins and brand positioning. This strategic positioning enables the Group to demonstrate strong operational resilience amidst market volatility. Through the implementation of refined management practices, the Group not only guarantees the high quality of our design schemes, but also further enhances client satisfaction, thereby consolidating and sustaining our premium brand equity and leading position in the industry.

As a result of the Group's proactive strategies to optimise its project portfolio structure, strictly select high-quality clients, and adopt stringent project screening criteria, the Group's new contract sum awarded for the Period decreased by HK$100.7 million, or approximately 35.1%, as compared to the six months period ended 30 June 2025 (the "**Previous Period**"). Although this has placed certain pressure on the Group's revenue growth in the short term, it has effectively safeguarded the overall quality and gross profit margin of the Group's backlog projects, laying a solid foundation for the Group's sustainable development.

Total revenue of the Group decreased by approximately 4.1% to approximately HK$186.7 million during the Period (Previous Period: approximately HK$194.6 million). Gross profit of the Group increased by approximately 3.2% to HK$75.3 million during the Period (Previous Period: approximately HK$73.0 million). Due to the timely and effective implementation of the employee optimisation program and the strict containment of other operating costs by the Group, the overall gross profit margin increased from approximately 37.5% for the Previous Period to approximately 40.3% for the Period. The Group recorded a consolidated net profit of approximately HK$1.2 million for the Period (Previous Period: approximately HK$1.0 million).

The Group remains deeply committed to the principles of prudent financial management. While exploring new business avenues, we continuously intensified our efforts in accounts receivable recovery. In order to further enhance profitability, management regularly reviews the performance and profitability of each business segment and optimises resource allocation, while implementing our cost-reduction and efficiency enhancing measures. This allowed us to maintain a healthy cash position and comfortable liquidity. As at 30 June 2026, the bank balances and cash of the Group were approximately HK$147.0 million (31 December 2025: approximately HK$153.3 million) and the current ratio increased to approximately 3.1 (31 December 2025: approximately 2.9). During the Period, the Group's operating cash flow position improved significantly, with net operating cash outflow significantly decreased by 88.4% to approximately HK$0.5 million (Previous Period: approximately HK$4.3 million).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

On the leverage front, the gearing ratio (net debt excluding lease liabilities arising from the adoption of HKFRS 16 to equity attributable to owners of the Company) was nil as at 30 June 2026 and 31 December 2025. The Group had net cash (bank balances and cash less total debt) of approximately HK$147.0 million as at 30 June 2026 (31 December 2025: approximately HK$153.3 million).

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

	For the six months period ended 30 June 2026				For the six months period ended 30 June 2025			
	SLD HK$ million	**SLL HK$ million**	**JHD HK$ million**	**Total HK$ million**	SLD HK$ million	SLL HK$ million	JHD HK$ million	Total HK$ million
Remaining contract sum at the beginning of the period	**316.9**	**185.2**	**57.9**	**560.0**	285.8	146.4	74.9	507.1
Add: New contract sum awarded during the period	**101.4**	**81.5**	**3.5**	**186.4**	132.7	115.4	39.0	287.1
Less: VAT for newly awarded contracts	**(2.6)**	**(9.0)**	**(0.2)**	**(11.8)**	(6.6)	(12.7)	(2.5)	(21.8)
Less: Revenue recognised during the period	**(117.7)**	**(58.0)**	**(9.4)**	**(185.1)**	(116.1)	(55.5)	(22.1)	(193.7)
Less: Variation order	**(15.0)**	**(1.7)**	**(9.0)**	**(25.7)**	(16.0)	(7.1)	(25.4)	(48.5)
Add: Exchange realignments	**10.1**	**8.8**	**2.2**	**21.1**	4.8	2.7	0.8	8.3
Remaining contract sum at the end of the period	**293.1**	**206.8**	**45.0**	**544.9**	284.6	189.2	64.7	538.5

The remaining contract sum for SLD and JHD reduced from approximately HK$316.9 million and HK$57.9 million as at 31 December 2025 to approximately HK$293.1 million and HK$45.0 million as at 30 June 2026, respectively. Compared with the Previous Period, the new contract sum awarded for the Period decreased, reflecting both the unfavourable market sentiment and the Group's strict strategy of selecting high-quality clients and projects.

The remaining contract sum of SLL increased from approximately HK$185.2 million as at 31 December 2025 to approximately HK$206.8 million as at 30 June 2026, reflecting growing client recognition following several years of development. The emerging synergy with the SLD brand has also begun to contribute positively to this momentum.

PIPELINE PROJECTS

The following tables set forth a breakdown of new contract sum awarded by brand, types of projects and geographical markets, respectively, during the periods indicated:

	For the six months period ended 30 June 2026				For the six months period ended 30 June 2025			
	SLD HK$ million	**SLL HK$ million**	**JHD HK$ million**	**Total HK$ million**	SLD HK$ million	SLL HK$ million	JHD HK$ million	Total HK$ million
New contract sum awarded during the period								
Residential project	**64.2**	**68.1**	**0.5**	**132.8**	105.1	103.9	7.6	216.6
Private residence project	**20.4**	**4.1**	**–**	**24.5**	4.3	1.6	–	5.9
Hospitality project	**9.8**	**9.2**	**0.8**	**19.8**	9.7	0.1	14.9	24.7
Commercial project	**5.9**	**0.1**	**1.7**	**7.7**	0.8	9.5	14.6	24.9
*Others	**1.1**	**–**	**0.5**	**1.6**	12.8	0.3	1.9	15.0
Total	**101.4**	**81.5**	**3.5**	**186.4**	132.7	115.4	39.0	287.1

* Others mainly consists of mixed-use development projects.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

	For the six months period ended 30 June 2026				For the six months period ended 30 June 2025			
	SLD HK$ million	SLL HK$ million	JHD HK$ million	Total HK$ million	SLD HK$ million	SLL HK$ million	JHD HK$ million	Total HK$ million
New contract sum awarded during the period								
Mainland China	49.3	77.4	3.5	130.2	117.5	111.7	39.0	268.2
Hong Kong, Macao and Taiwan	36.1	3.2	–	39.3	11.6	3.6	–	15.2
Overseas	16.0	0.9	–	16.9	3.6	0.1	–	3.7
Total	101.4	81.5	3.5	186.4	132.7	115.4	39.0	287.1

The new contract sum awarded dropped by approximately 35.1% from approximately HK$287.1 million for the Previous Period to approximately HK$186.4 million for the Period. The decrease was mainly attributable to the intense competition in the residential and commercial interior design markets, particularly in the JHD segment, and the strict strategy in selecting high-quality clients and projects.

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

	As at 30 June 2026					As at 31 December 2025				
	SLD HK$ million	SLL HK$ million	JHD HK$ million	Total HK$ million	% of total remaining contract sum %	SLD HK$ million	SLL HK$ million	JHD HK$ million	Total HK$ million	% of total remaining contract sum %
Remaining contract sum										
Residential project	195.2	179.5	6.4	381.1	69.9	213.7	168.5	8.3	390.5	69.7
Private residence project	47.5	5.3	1.9	54.7	10.0	44.7	1.7	1.9	48.3	8.6
Hospitality project	26.3	9.2	14.4	49.9	9.2	38.3	2.8	15.4	56.5	10.1
Commercial project	11.1	11.4	14.0	36.5	6.7	7.9	10.8	22.1	40.8	7.3
*Others	13.0	1.4	8.3	22.7	4.2	12.3	1.4	10.2	23.9	4.3
Total	293.1	206.8	45.0	544.9	100.0	316.9	185.2	57.9	560.0	100.0

* Others mainly consists of mixed-use development projects.

	As at 30 June 2026					As at 31 December 2025				
	SLD HK$ million	SLL HK$ million	JHD HK$ million	Total HK$ million	% of total remaining contract sum %	SLD HK$ million	SLL HK$ million	JHD HK$ million	Total HK$ million	% of total remaining contract sum %
Remaining contract sum										
Mainland China	215.0	202.4	45.0	462.4	84.9	250.8	181.0	57.9	489.7	87.5
Hong Kong, Macao and Taiwan	40.8	3.2	–	44.0	8.1	19.4	3.1	–	22.5	4.0
Overseas	37.3	1.2	–	38.5	7.0	46.7	1.1	–	47.8	8.5
Total	293.1	206.8	45.0	544.9	100.0	316.9	185.2	57.9	560.0	100.0

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

	For the six months period ended 30 June 2026					For the six months period ended 30 June 2025				
	SLD HK$ million	**SLL HK$ million**	**JHD HK$ million**	**Total HK$ million**	**% of revenue %**	SLD HK$ million	SLL HK$ million	JHD HK$ million	Total HK$ million	% of revenue %
Revenue										
Residential project	**75.1**	**55.6**	**1.8**	**132.5**	**71.0**	85.4	53.9	5.7	145.0	74.5
Private residence project	**16.3**	**0.1**	**-**	**16.4**	**8.8**	13.5	0.9	–	14.4	7.4
Hospitality project	**21.9**	**2.3**	**2.2**	**26.4**	**14.1**	11.1	0.6	6.0	17.7	9.1
Commercial project	**3.5**	**-**	**4.4**	**7.9**	**4.2**	1.0	–	9.7	10.7	5.5
*Others	**2.5**	**-**	**1.0**	**3.5**	**1.9**	6.0	0.1	0.7	6.8	3.5
Total	**119.3**	**58.0**	**9.4**	**186.7**	**100.0**	117.0	55.5	22.1	194.6	100.0

* Others mainly consists of mixed-use development projects.

As mentioned above, the Group's total revenue decreased by approximately 4.1% during the Period. The decrease was mainly resulted from the decline in service revenue from the provision of interior design services in the JHD segment during the Period. Detailed performance of each segment was analysed as follows.

SLD

SLD (Steve Leung Design) segment includes the "Steve Leung" brands, 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.

During the Period, this segment maintained its focus on the residential project sector. The entire SLD brand contributed approximately 63.9% to the Group's total revenue (Previous Period: approximately 60.1%). Segment revenue increased from approximately HK$117.0 million for the Previous Period to approximately HK$119.3 million for the Period, representing an increase of approximately 2.0%. The increase in revenue was mainly attributable to the growth in the hospitality project sector, driven by the renovation projects undertaken by the luxury hotels across Asia.

Another important component of this segment is the provision of and the licensing arrangement for product design services, which adds value to the overall interior design, decorating, and furnishing layout of projects, hence enhancing client satisfaction. This is one of the Group's important marketing and branding strategies. During the Period, revenue generated from license fee amounted to approximately HK$1.6 million (Previous Period: approximately HK$0.9 million).

As at 30 June 2026, this business segment had a stable remaining contract sum of approximately HK$293.1 million (31 December 2025: approximately HK$316.9 million), which is expected to be realised based on the stages of completion and the general progress of projects during the second half of 2026 through 2028.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

SLL

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

This segment contributed approximately 31.1% to the Group's total revenue for the Period (Previous Period: approximately 28.5%). SLL maintained its focus on the residential project sector during the Period. Revenue of SLL recorded an increase of approximately 4.5% to approximately HK$58.0 million during the Period (Previous Period: approximately HK$55.5 million). This growth was primarily driven by the residential project sector, which is well aligned with SLL's strategic focus and competitive strengths.

As at 30 June 2026, this business segment had a remaining contract sum of approximately HK$206.8 million (31 December 2025: approximately HK$185.2 million), which is expected to be realised based on the stages of completion of projects and the delivery of interior decorative products.

JHD

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

JHD contributed approximately 5.0% to the Group's total revenue for the Period (Previous Period: approximately 11.4%), with segment revenue decreasing significantly by approximately 57.5%, from approximately HK$22.1 million for the Previous Period to approximately HK$9.4 million for the Period. The decline was primarily attributable to subdued domestic demand in the PRC's hospitality and commercial real estate sectors, which exerted downward pressure on the segment's overall performance.

As at 30 June 2026, this business segment had a remaining contract sum of approximately HK$45.0 million (31 December 2025: approximately HK$57.9 million), which is expected to be realised based on the stages of completion, the general progress of projects, and the delivery of interior decorative products during the second half of 2026 through 2027.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

REVENUE AND GROSS PROFIT

During the Period, the Group's revenue decreased by approximately HK$7.9 million or 4.1%, from approximately HK$194.6 million for the Previous Period to approximately HK$186.7 million for the Period. The decrease in total revenue was mainly attributable to the slowdown in the progress of projects in the PRC's property market, particularly in the hospitality and commercial building sectors, which are the principal focus of the JHD segment.

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

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

REVENUE AND GROSS PROFIT BY BRAND AND NATURE

	For the six months period ended 30 June 2026				For the six months period ended 30 June 2025			
	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	**117.7**	**5.0**	**9.2**	**131.9**	116.1	4.7	16.4	137.2
License fee revenue	**1.6**	**–**	**–**	**1.6**	0.9	–	–	0.9
Trading income	**–**	**53.0**	**0.2**	**53.2**	–	50.8	5.7	56.5
Total Revenue	**119.3**	**58.0**	**9.4**	**186.7**	117.0	55.5	22.1	194.6
Gross Profit	**54.8**	**20.4**	**0.1**	**75.3**	49.1	21.0	2.9	73.0
Gross Profit Margin	**45.9%**	**35.2%**	**1.1%**	**40.3%**	42.0%	37.8%	13.1%	37.5%

Service revenue decreased from approximately HK$137.2 million for the Previous Period to approximately HK$131.9 million for the Period. The decrease in service revenue is mainly attributable to the reduction in revenue from the JHD segment.

The Group's gross profit increased by approximately HK$2.3 million or 3.2%, from approximately HK$73.0 million for the Previous Period to approximately HK$75.3 million for the Period, while gross profit margin increased to approximately 40.3% (Previous Period: approximately 37.5%). The increase was primarily driven by the employee optimisation program and the strict containment of other operating costs during the Period.

OTHER (LOSSES) AND GAINS

The Group recorded other losses of approximately HK$0.4 million for the Period as compared with other gains of approximately HK$0.9 million for the Previous Period. The decrease was primarily due to the loss on lease termination for "Design Hub" during the Period.

IMPAIRMENT LOSSES ON TRADE RECEIVABLES AND CONTRACT ASSETS UNDER EXPECTED CREDIT LOSS MODEL

Impairment losses on trade receivables and contract assets for the Period were approximately HK$10.2 million (Previous Period: approximately HK$9.8 million). The increase was mainly attributable to prolonged settlement procedures of certain groups of clients. For details, please refer to the section headed "Credit Risk Exposure" of this report.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

OTHER INCOME

Other income of the Group mainly includes membership fee income, government grants and interest income from bank deposits during the Period. The decrease in other income from approximately HK$2.3 million for the Previous Period to approximately HK$1.4 million for the Period was mainly attributable to the discontinuation of "Design Hub" operations in March 2026, which resulted in the cessation of all subsequent membership fee income.

SELLING EXPENSES

Selling expenses of the Group decreased from approximately HK$10.2 million for the Previous Period to approximately HK$5.3 million for the Period, representing a decrease of approximately 48.0%. The decrease was mainly due to staff cost savings arising from the workforce optimisation during the Period.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses slightly increased from approximately HK$51.2 million for the Previous Period to approximately HK$53.7 million for the Period, representing an increase of approximately 4.9% during the Period. The increase was primarily due to one-off severance payments from workforce optimisation during the Period.

FINANCE COSTS

Finance costs of the Group comprised interest on lease liabilities. Finance costs decreased from approximately HK$1.2 million for the Previous Period to approximately HK$0.6 million for the Period. The decrease was mainly attributable to the absence of bank borrowings during the Period.

INCOME TAX EXPENSE

The Group's income tax expense increased from approximately HK$2.8 million for the Previous Period to approximately HK$5.4 million for the Period, representing an increase of approximately 92.9% during the Period. The increase was mainly attributable to higher profits generated by the PRC subsidiaries, along with the loss of the concessionary tax rate applicable to small enterprises due to increased profit levels. In addition, the increase reflected an under-provision of PRC Enterprise Income Tax in prior years. These factors collectively resulted in a higher effective tax rate for the Group.

PROFIT FOR THE PERIOD

As a result of the foregoing, the Group recorded an increase in net profit from approximately HK$1.0 million for the Previous Period to approximately HK$1.2 million for the Period.

BASIC EARNINGS PER SHARE

The Company's basic earnings per share for the Period was approximately HK0.20 cents (Previous Period: approximately HK0.14 cents).

OUTLOOK AND PROSPECTS

The global economic landscape has been undergoing a slow and uneven recovery amidst persistent volatility, where uncertainty has effectively become the new normal. Squeezed by escalating trade barriers, supply chain restructuring, and fluctuating inflation, the overall growth momentum of major global economies has slowed down and the intensification of geopolitical conflicts has further disrupted international financial markets.

In the first half of 2026, the PRC's real estate sector continued a phase of deep adjustment and intensive destocking, marking a fundamental structural shift in market supply and demand dynamics. Although macro policies have steadily released liquidity and expanded targeted support for urban renewal and the acquisition of existing property inventory, the full restoration of consumer confidence and a comprehensive market recovery will need time to materialise.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Notably, amid these profound challenges, emerging economies are demonstrating remarkable resilience and robust growth momentum. Driven by economic diversification, infrastructure investment, and domestic demand, emerging economies in the Middle East and Central Asia have revealed significant long-term growth potential; certain core emerging markets, buoyed by robust domestic demand, are expected to become regional growth highlights. However, ongoing geopolitical conflicts in the Middle East, persistently high international logistics costs, and tightening trade restrictions will continue to pose challenges to the expansion pace and operational stability of overseas projects. These remain critical issues that the Group must prudently navigate when expanding its international presence.

Faced with an intricate external environment, the Group has consistently maintained its strategic resolve and adhered to the general keynote of "seeking progress while maintaining stability," further resolutely advancing its three strategic directions of "Rejuvenation, Diversification, Internationalisation". "Rejuvenation" is systematically increasing its investment in advanced digital technologies, including Artificial Intelligence, and deeply integrating them into our operational workflows to enhance quality and efficiency. At the same time, we are strengthening our social media engagement and brand revitalisation to bolster our appeal among younger demographics. "Diversification" continues to optimise our business portfolio. While solidifying our established strengths in premium residential and hospitality design, we are proactively branching into broader business segments to create a more resilient, risk-resistant, and diversified revenue structure that can withstand market shocks. "Internationalisation" is proactively extending our footprint into high-growth overseas "blue ocean" markets, including the Middle East and Central Asia. By deepening strategic partnerships with globally renowned property developers and international hospitality groups, we aim to shape these regions into key growth engines for our future performance.

Furthermore, we will closely monitor the evolution of geopolitical and conflict dynamics in regions like the Middle East, conduct periodic risk assessments and stand ready to make agile adjustments to our internationalisation strategy to ensure operational stability and safeguard the long-term interests of the Group.

On the client and project development front, the Group remains steadfast in its core principle of upholding its premium brand positioning and elevating its industry stature. We proactively steer clear of destructive low-price competition and reject disorderly industry hyper-competition. By establishing a multi-dimensional selection and evaluation mechanism, we meticulously screen for partners with excellent comprehensive profiles and prioritise high-quality projects with strong profitability prospects and favorable payment terms. This effectively mitigates the impact of industry hyper-competition on our operational performance, while simultaneously enhancing overall cash collection efficiency and project delivery quality.

In addition, the Group continuously streamlines its personnel structure, cost control mechanisms and optimises internal resource allocation efficiency. These efforts comprehensively strengthen the Group's profitability, bolster our resilience and risk mitigation capabilities, ensuring us to navigate economic cycle fluctuations with composure and agility.

Looking ahead, the Group will continue to leverage its exceptional design capabilities and strategic agility to move forward through the waves. We look forward to delivering increasingly innovative design work and maintaining a resilient financial performance, thereby continuing to create long-term, sustainable value for the shareholders of the Company (the "**Shareholders**").

CORPORATE FINANCE AND RISK MANAGEMENT

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

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

The Group's total debt (representing total interest-bearing borrowings excluding lease liabilities arising from the adoption of HKFRS 16) to total asset ratio was nil as at 30 June 2026 and 31 December 2025. 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 as at 30 June 2026 and 31 December 2025. The Group had net cash (bank balances and cash less total debt) of approximately HK$147.0 million as at 30 June 2026 (31 December 2025: approximately HK$153.3 million).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

As at 30 June 2026 and 31 December 2025, the Group had no bank borrowings. The liquidity of the Group remained stable, with a current ratio (current assets/current liabilities) of approximately 3.1 as at 30 June 2026 (31 December 2025: approximately 2.9). The Group also has sufficient committed and unutilised loan and working capital and guarantee facilities to support the needs of the Group's business development and daily operations. The Group will continue to pursue development opportunities prudently with a view to balancing the risk and opportunity in maximising Shareholders' value.

As at 30 June 2026, the share capital and equity attributable to owners of the Company amounted to approximately HK$11.4 million (31 December 2025: approximately HK$11.4 million) and approximately HK$329.4 million (31 December 2025: approximately HK$319.4 million), respectively.

PLEDGE OF ASSETS AND RESTRICTED BANK BALANCES

No assets were pledged as at 30 June 2026 and 31 December 2025.

As at 30 June 2026, the Group had restricted bank balances of approximately HK$1.9 million (31 December 2025: approximately HK$0.1 million), which was due to a legal dispute in the PRC. For details, please refer to notes 12 and 18 to the condensed consolidated financial statements of this report.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 30 June 2026, the Group had the following contingent liabilities arising from legal proceedings:

1. In April 2026, a former employee initiated a labour dispute against a PRC subsidiary of the Company. Consequently, a sum of approximately RMB1.7 million (equivalent to approximately HK$1.9 million) in a bank account of such PRC subsidiary has been frozen pursuant to a court order in April 2026 and the frozen balance has not yet been released as at the date of this report. The case is currently in the first-instance proceeding before the Beijing Shunyi District People's Court.

2. In June 2026, a vendor filed five lawsuits against a PRC subsidiary of the Company in relation to contractual disputes concerning the provision of construction drawings services. The aggregate amount claimed in these cases is approximately RMB0.4 million (equivalent to approximately HK$0.4 million). These cases are currently at the pre-litigation mediation stage.

Since the legal proceedings of the cases mentioned above are still at an early stage, it is impractical to assess the potential impact to the Group. As at the date of this report, an aggregate contingent liability of approximately RMB2.0 million (equivalent to approximately HK$2.3 million) has been noted.

In addition, as at 30 June 2026, 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 RMB0.2 million (equivalent to approximately HK$0.2 million). 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.

As at 30 June 2026, the Group had capital commitment contracted for approximately HK$6.3 million (31 December 2025: nil).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

EVENTS AFTER THE REPORTING PERIOD

Except for the event disclosed in the section headed "Contingent Liabilities and Capital Commitments" of this report, there are no significant events subsequent to 30 June 2026 and up to the date of this report which may materially affect the Group's operating and financial performance.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND INTEREST RATES AND CORRESPONDING HEDGING ARRANGEMENTS

The Group operates in various regions under different foreign currencies, including RMB and the U.S. Dollar. The exchange rate of the U.S. Dollar was relatively stable while that of RMB was more volatile during the Period. The Group currently has no hedging arrangements for foreign currencies or interest rates. The Group reviews the currency exchange risks regularly and closely monitors the fluctuation of foreign currencies. The Group will make proper adjustments and consider hedging arrangements if necessary.

CREDIT RISK EXPOSURE

The Group's credit risk primarily arises from trade receivables and contract assets. Despite the Group's major clients are institutional organisations and reputable property developers, the property market in the PRC remains in a recovery stage. As weak buyer sentiment persists, 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 for the Period recorded year-on-year declines of 11.6% and 13.7%, 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 manage its credit risk exposure. The Group conducts ongoing credit evaluation on 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 reviews on ageing periods of receivables and quarterly reviews 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

As at 30 June 2026, trade receivables (in gross amount) amounted to approximately HK$282.6 million (31 December 2025: approximately HK$258.5 million), increased by approximately HK$24.1 million. The increase in trade receivables was mainly due to prolonged settlement procedures of certain groups of clients, which also led to the increase in the accumulated allowance to approximately HK$113.5 million (31 December 2025: approximately HK$101.7 million) and average loss rate of trade receivables to approximately 40.2% (31 December 2025: approximately 39.3%).

As at 30 June 2026, contract assets (in gross amount) amounted to approximately HK$123.2 million (31 December 2025: approximately HK$131.9 million). The decline was primarily attributable to a decrease in the aggregate value of new contracts awarded during the Period, resulting in a reduced scale of project execution and lower service revenue generated. The accumulated allowance for credit losses for contracts assets increased to approximately HK$51.6 million (31 December 2025: approximately HK$47.6 million) and the average loss rate also increased to approximately 41.9% (31 December 2025: approximately 36.1%). The increase was mainly due to the slower-than-expected progress of certain projects during the Period was, which resulted in a longer ageing profile of the related contract assets.

As at 30 June 2026, the overall accumulated allowance for credit losses was approximately HK$165.1 million (31 December 2025: approximately HK$149.3 million), and the average loss rate was approximately 40.7% (31 December 2025: approximately 38.2%). As at the date of this report, approximately HK$24.0 million of the trade receivables as at 30 June 2026 have been subsequently settled.

Based on the Group's review of the project progress, ageing period, settlement record and financial positions of clients and other available forward-looking information as mentioned above, the Directors believe that the impairment loss assessment on the trade receivables and contract assets as at 30 June 2026 has been performed appropriately and sufficient impairment losses have been made.

RISK MANAGEMENT

In order to broaden its revenue streams, the Group is actively looking for opportunities to diversify both its project nature and business operations. The Group will continue to evaluate market conditions and make decisions to ensure effective implementation of the Group's expansion strategy from time to time. The Group also remains committed to strengthening internal control and risk control procedures by regularly reviewing the market risks (including foreign exchange risk and interest rate risk), operation risks, finance risks, policy risks, legal risks, contract risks, labor risks, as well as risks associated with artificial intelligence, information technology, and customers and market credit.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had 393 (as at 30 June 2025: 434) full-time employees. The total remuneration of the employees (including the Directors' remuneration) was approximately HK$86.8 million for the Period (Previous Period: approximately HK$91.3 million). The decrease in total remuneration of the employees was mainly due to the decrease in the number of employees and average salaries of employees during the Period. To retain our competitiveness, the Group offers attractive remuneration policy, discretionary bonus and share options may also be granted to eligible staff based on individual performance in recognition of their contribution and hard work. The Group also provides external training programmes which are complementary to certain job functions.

SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITION AND DISPOSALS

The Group did not hold any significant investments as at 30 June 2026.

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, the Group did not have any plans for material investments and capital assets as at 30 June 2026.

APPRECIATION

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND

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

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, the interests and short positions of the Directors and the chief executives of the Company in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which were required (a) to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO); (b) to be entered in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to The Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), are set out as follows:

Name of Directors or chief executives	Long/ Short position	Capacity/ Nature of interest	Number of shares held	Approximate percentage of the issued share capital of the Company (Note 1)
Mr. Leung Chi Tien Steve, BBS (Note 2)	Long	Interest in controlled corporation	256,500,000	22.47%

Notes:

1. On the basis of 1,141,401,000 shares in issue as at 30 June 2026.

2. Sino Panda Group Limited ("**Sino Panda**") is wholly and beneficially owned by Mr. Leung Chi Tien Steve, BBS ("**Mr. Steve Leung**") and therefore Mr. Steve Leung is deemed to be interested in the shares held by Sino Panda under the SFO.

Save as disclosed in the foregoing, as at 30 June 2026, having made sufficient enquiry and to the best knowledge of the Directors or chief executives of the Company, none of the Directors or chief executives of the Company had any interests or short positions in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

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

As at 30 June 2026, the interests and/or short positions of the persons (other than being a Director or chief executive of the Company) in the shares and the underlying shares of the Company as notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under Section 336 of the SFO, are set out as follows:

Name of Shareholders	Long/ Short position	Capacity/ Nature of interest	Number of shares	Approximate percentage of the issued share capital of the Company (Note 1)
Eagle Vision Development Limited	Long	Beneficial owner	598,500,000	52.44%
Peacemark Enterprises Limited (Note 2)	Long	Interest in controlled corporation	598,500,000	52.44%
Jangho Hong Kong Holdings Limited (Note 3)	Long	Interest in controlled corporation	598,500,000	52.44%
Jangho Group Co., Ltd (Note 4)	Long	Interest in controlled corporation	598,500,000	52.44%
北京江河源控股有限公司 (Beijing Jiangheyuan Holdings Co., Ltd.) (Note 5)(Note 6)	Long	Interest in controlled corporation	598,500,000	52.44%
Mr. Liu Zaiwang (Note 6)	Long	Interest in controlled corporation	598,500,000	52.44%
Ms. Fu Haixia (Note 7)	Long	Interest of spouse	598,500,000	52.44%
Sino Panda	Long	Beneficial owner	256,500,000	22.47%
Ms. Chan Siu Wan (Note 8)	Long	Interest of spouse	256,500,000	22.47%

Notes:

1. On the basis of 1,141,401,000 shares in issue as at 30 June 2026.

2. Eagle Vision Development Limited ("**Eagle Vision**") is beneficially owned as to approximately 42.86% by Peacemark Enterprises Limited ("**Peacemark Enterprises**") and therefore Peacemark Enterprise is deemed to be interested in the shares held by Eagle Vision under the SFO.

3. Peacemark Enterprises is wholly and beneficially owned by Jangho Hong Kong Holdings Limited ("**Jangho HK**") and therefore Jangho HK is deemed to be interested in the shares indirectly held by Peacemark Enterprises through Eagle Vision under the SFO.

4. Jangho HK is wholly and beneficially owned by Jangho Group Co., Ltd. ("**Jangho Co.**") and therefore Jangho Co. is deemed to be interested in the shares indirectly held by Jangho HK through Peacemark Enterprises and Eagle Vision under the SFO.

5. Ms. Fu Haixia ("**Ms. Fu**"), the spouse of Mr. Liu Zaiwang ("**Mr. Liu**"), is the sole director of Beijing Jiangheyuan Holdings Co., Ltd. ("**Jiangheyuan**"). The board of directors of Jangho Co. is controlled by Jiangheyuan and therefore Jiangheyuan is deemed to be interested in the shares held by Jangho Co. through Jangho HK, Peacemark Enterprises and Eagle Vision under the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

6. Jangho Co. is beneficially owned as to approximately 27.86% by Jiangheyuan (a company which is 85% and 15% beneficially owned by Mr. Liu and his spouse Ms. Fu, respectively), and beneficially owned as to approximately 25.53% by Mr. Liu and therefore, Mr. Liu is deemed to be interested in the shares indirectly held by Jangho Co. through Jangho HK, Peacemark Enterprises and Eagle Vision under the SFO.

7. Ms. Fu is the spouse of Mr. Liu and is therefore deemed to be interested in the shares that Mr. Liu is interested in under the SFO.

8. Ms. Chan Siu Wan is the spouse of Mr. Steve Leung and is therefore deemed to be interested in the shares that Mr. Steve Leung is interested in under the SFO.

Save as disclosed above, the Directors are not aware of any persons (other than the Directors and chief executives of the Company) who, as at 30 June 2026, has an interest or a short position in the shares which will be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO or would be, directly or indirectly, interested in 5% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

SHARE OPTION SCHEME

On 11 June 2018, the Company adopted a share option scheme ("**Share Option Scheme**") for the primary purpose of motivating the Eligible Persons (as defined below) to optimise their future contributions to the Group and/or to reward them for their past contributions, attracting and retaining or otherwise maintaining on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executives (as defined below), enabling the Group to attract and retain individuals with experience and ability and/or rewarding them for their past contributions. Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time during the life of the Share Option Scheme to offer the grant of any options ("**Options**") to subscribe for such number of shares to any Eligible Person as the Board may in its absolute discretion select. The basis of eligibility shall be determined by the Board from time to time.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

Persons satisfying any of the following ("**Eligible Persons**") may be offered with Options by the Board, at its absolute discretion:

(a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group ("**Executives**");

(b) any proposed employee, any full-time or part-time employee, or a person for the time being seconded to work full-time or part – time for any member of the Group;

(c) a director or proposed director (including an independent non-executive director) of any member of the Group;

(d) a direct or indirect shareholder of any member of the Group;

(e) a supplier of goods or services to any member of the Group;

(f) a client, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group;

(g) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; and

(h) an associate (as defined in the Listing Rules) of any of the persons referred to in paragraphs (a) to (g) above.

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

The total number of shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other schemes of the Company shall not in aggregate exceed 10% of the total number of shares in issue as at the Listing Date (i.e. 114,000,000 shares, representing approximately 9.99% of the total number of issued shares of the Company as at the date of this report). The Company may seek approval of its shareholders in general meeting for refreshing such 10% limit.

The maximum number of shares issued and to be issued upon exercise of the Options granted to each Eligible Person (including both exercised and outstanding Options) in any 12-month period shall not exceed 1% of the shares in issue from time to time. Any further grant of Options in excess of this limit is subject to shareholders' approval in a general meeting.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

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

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

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

The Share Option Scheme shall be valid and effective for a period of 10 years commencing from 11 June 2018. No share options under the Share Option Scheme have been granted since its adoption and up to the date of this report. No share options were outstanding under the Share Option Scheme and thus the number of options available for grant under the Share Option Scheme remained 114,000,000 at the beginning and the end of the Period.

Should the Company decide to grant any share option under the Share Option Scheme, such grant(s) will be made in compliance with Chapter 17 of the Listing Rules.

DIRECTORS', CHIEF EXECUTIVES' AND EMPLOYEES' INTERESTS UNDER THE SHARE OPTION SCHEME OF THE COMPANY

None of the Directors or chief executives or employees of the Company had any interests under any share option scheme of the Company during the Period.

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

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

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained a sufficient public float during the Period and up to the date of this report as required under the Listing Rules.

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 Group 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 set out in the Corporate Governance Code under Part 2 of Appendix C1 to the Listing Rules during the Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code for securities transactions by directors and employees (the **"Securities Code"**) with standards no less exacting than that of the Model Code 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 Period.

EXTERNAL AUDITOR AND AUDIT COMMITTEE REVIEWS

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

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

On behalf of the Board
XU Xingli
Chairman

11 August 2026

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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TO THE BOARD OF DIRECTORS OF STEVE LEUNG DESIGN GROUP LIMITED
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim condensed consolidated financial statements set out on pages 25 to 42 which comprise the condensed consolidated statement of financial position of Steve Leung Design Group Limited and its subsidiaries (collectively referred to as the "**Group**") as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements including material accounting policy information (the "**Condensed Consolidated Financial Statements**"). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("**HKAS 34**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The directors are responsible for the preparation and presentation of the Condensed Consolidated Financial Statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the Condensed Consolidated Financial Statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of these interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Condensed Consolidated Financial Statements are not prepared, in all material respects, in accordance with HKAS 34.

BDO Limited
Certified Public Accountants

Lau Kin Tat, Terry
Practising Certificate no. P07676

Hong Kong, 11 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months period ended 30 June 2026

		Six months period ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	NOTES	**HK$'000**	HK$'000
Revenue	3	**186,692**	194,592
Cost of sales		**(111,404)**	(121,593)
Gross profit		**75,288**	72,999
Other (losses) and gains		**(398)**	874
Impairment losses on trade receivables and contract assets under expected credit loss model	4	**(10,215)**	(9,793)
Other income		**1,424**	2,325
Selling expenses		**(5,270)**	(10,159)
Administrative expenses		**(53,675)**	(51,202)
Share of profit of an associate		**39**	–
Finance costs		**(561)**	(1,239)
Profit before taxation		**6,632**	3,805
Income tax expense	5	**(5,384)**	(2,834)
Profit for the period	6	**1,248**	971
Other comprehensive income that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**7,904**	3,518
Total comprehensive income for the period		**9,152**	4,489
Profit (loss) for the period attributable to:			
— Owners of the Company		**2,324**	1,590
— Non-controlling interests		**(1,076)**	(619)
		1,248	971
Total comprehensive income (expense) for the period attributable to:			
— Owners of the Company		**9,945**	5,014
— Non-controlling interests		**(793)**	(525)
		9,152	4,489
Earnings per share (expressed in Hong Kong cents)			
— Basic	7	**0.20**	0.14
— Diluted	7	**0.20**	0.14

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	NOTES	**At 30 June 2026 (Unaudited) HK$'000**	At 31 December 2025 (Audited) HK$'000
Non-current Assets			
Property, plant and equipment	8	**8,721**	8,697
Right-of-use assets	8	**38,251**	45,106
Intangible assets		**761**	910
Investment in an associate		**324**	284
Goodwill		**1,241**	1,192
Deposits paid for acquisition of property, plant and equipment	10	**732**	–
Rental deposits	10	**2,514**	4,098
Deferred tax assets		**55,475**	52,635
		108,019	112,922
Current Assets			
Inventories		**–**	16
Trade receivables	9	**169,071**	156,868
Other receivables, deposits and prepayments	10	**9,423**	9,980
Contract assets	11	**71,559**	84,304
Tax recoverable		**247**	247
Restricted bank balances	12	**1,923**	139
Bank balances and cash		**147,028**	153,336
		399,251	404,890
Current Liabilities			
Trade payables	13	**59,465**	65,968
Other payables and accrued charges	13	**14,769**	20,035
Lease liabilities		**9,175**	10,632
Contract liabilities	11	**21,502**	20,860
Tax liabilities		**22,190**	23,678
		127,101	141,173
Net Current Assets		**272,150**	263,717
Total Assets Less Current Liabilities		**380,169**	376,639
Capital and Reserves			
Share capital	14	**11,414**	11,414
Reserves		**317,948**	308,003
Equity attributable to owners of the Company		**329,362**	319,417
Non-controlling interests		**10,112**	10,905
Total Equity		**339,474**	330,322
Non-current Liabilities			
Deferred tax liabilities		**10,543**	10,388
Lease liabilities		**30,152**	35,929
		40,695	46,317
		380,169	376,639

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2026

	Attributable to owners of the Company									
	Share capital	**Share premium**	**Merger reserve**	**Statutory reserve**	**Exchange reserve**	**Shareholder's contribution**	**Retained profits**	**Sub-total**	**Non-controlling interests**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Note (a))	(Note (b))	(Note (c))		(Note (d))				
At 1 January 2025 (audited)	11,414	258,224	(112,360)	8,343	(22,947)	43,119	117,480	303,273	10,786	314,059
Profit (loss) for the period	–	–	–	–	–	–	1,590	1,590	(619)	971
Exchange difference arising on translation of foreign operations	–	–	–	–	3,424	–	–	3,424	94	3,518
Total comprehensive income (expense) for the period	–	–	–	–	3,424	–	1,590	5,014	(525)	4,489
Transfer of reserves	–	–	–	181	–	–	(181)	–	–	–
At 30 June 2025 (unaudited)	11,414	258,224	(112,360)	8,524	(19,523)	43,119	118,889	308,287	10,261	318,548
At 1 January 2026 (audited)	**11,414**	**258,224**	**(112,360)**	**8,096**	**(13,622)**	**43,119**	**124,546**	**319,417**	**10,905**	**330,322**
Profit (loss) for the period	**–**	**–**	**–**	**–**	**–**	**–**	**2,324**	**2,324**	**(1,076)**	**1,248**
Exchange difference arising on translation of foreign operations	**–**	**–**	**–**	**–**	**7,621**	**–**	**–**	**7,621**	**283**	**7,904**
Total comprehensive income (expense) for the period	**–**	**–**	**–**	**–**	**7,621**	**–**	**2,324**	**9,945**	**(793)**	**9,152**
At 30 June 2026 (unaudited)	**11,414**	**258,224**	**(112,360)**	**8,096**	**(6,001)**	**43,119**	**126,870**	**329,362**	**10,112**	**339,474**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months period ended 30 June 2026

Notes:

(a) Share premium included

(i) the difference between the nominal amount of the share capital issued by Steve Leung Design Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") and the aggregate of the nominal amount of the share capital and other reserves of SLD Group Holdings Limited, a subsidiary which was incorporated pursuant to the group reorganisation (the "**Reorganisation**") of the Group in connection with the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as set out in the section headed "History, Development and Reorganisation" in the prospectus of the Company dated 22 June 2018 (the "**Prospectus**"); and

(ii) the share premium arising from the issuance of new shares upon the exercise of share options under share option scheme.

(b) Merger reserve represents the difference between the amount of share capital and share premium of the Company issued, and the share capital of Steve Leung Designers Limited ("**SLDL**") exchanged in connection with the Reorganisation.

(c) The articles of association of the Company's subsidiaries established in the People's Republic of China (the "**PRC**") state that they may make an appropriation of 10% of their profit for the year (prepared under generally accepted accounting principles in the PRC) each year to the statutory reserve until the balance reaches 50% of their paid-in capital. The statutory reserve shall only be used for making good losses, capitalisation into paid-in capital and expansion of their production and operation.

(d) The amount represents the contribution from a shareholder pursuant to the sale and purchase agreement of SLDL Acquisition as defined in the section headed "History, Development and Reorganisation" in the Prospectus. The seller (who is also the non-controlling shareholder of SLDL) had guaranteed a certain level of profit of SLDL for the three years ended 31 December 2016 and the Group will receive from the seller 50% of the shortfall of actual profit generated by SLDL with the guarantee profit as contribution. An approximate amount of HK$43,119,000 was confirmed by shareholders of SLDL and the amount was received and recognised by the Group as a shareholder's contribution on 24 November 2017.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2026

	Six months period ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
OPERATING ACTIVITIES		
Operating cash flows before movements in working capital	**25,898**	25,773
Decrease (increase) in inventories	**16**	(1)
Increase in trade receivables	**(18,478)**	(24,530)
Decrease (increase) in other receivables, deposits and prepayments	**2,141**	(2,075)
Decrease in contract assets	**13,326**	2,597
(Increase) decrease in restricted bank balances	**(1,754)**	455
(Decrease) increase in trade payables	**(6,503)**	3,318
Decrease in other payables and accrued charges	**(5,266)**	(6,122)
Decrease in contract liabilities	**(183)**	(1,124)
Income taxes paid	**(9,680)**	(2,621)
NET CASH USED IN OPERATING ACTIVITIES	**(483)**	(4,330)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(1,592)**	(612)
Purchase of intangible assets	**–**	(2)
Interest received	**75**	114
NET CASH USED IN INVESTING ACTIVITIES	**(1,517)**	(500)
FINANCING ACTIVITIES		
Repayments of bank borrowings	**–**	(20,000)
Repayments of lease liabilities	**(7,755)**	(8,514)
Interest paid for lease liabilities	**(561)**	(785)
Interest paid	**–**	(454)
New bank borrowings raised	**–**	5,000
NET CASH USED IN FINANCING ACTIVITIES	**(8,316)**	(24,753)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(10,316)**	(29,583)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**153,336**	140,883
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**4,008**	1,371
CASH AND CASH EQUIVALENTS AT END OF PERIOD, REPRESENTED BY BANK BALANCES AND CASH	**147,028**	112,671

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2026

1. GENERAL INFORMATION AND BASIS OF PREPARATION

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

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

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

2. MATERIAL ACCOUNTING POLICIES

These condensed consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at their fair value.

Other than the adoption of new and revised standards which are mandatorily effective in the current interim period, the accounting policies adopted in the preparation of the condensed consolidated financial statements for the six months ended 30 June 2026 are consistent with those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity

None of the above amendments have had a significant financial effect to the Group. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months period ended 30 June 2026

3. REVENUE AND SEGMENT INFORMATION

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

An analysis of the Group's revenue for the six months period ended 30 June 2026 and 30 June 2025 is as follows:

	Six months period ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Service revenue	**131,898**	137,181
License fee revenue	**1,556**	881
Trading income	**53,238**	56,530
	186,692	194,592

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

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

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months period ended 30 June 2026

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information about these reportable and operating segments is presented as below.

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

	SLD	**SLL**	**JHD**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
For the six months period ended 30 June 2026 (unaudited)				
Geographical markets				
Mainland China	**79,158**	**54,132**	**9,410**	**142,700**
Hong Kong, Macao and Taiwan	**13,895**	**3,159**	**–**	**17,054**
Overseas	**26,237**	**701**	**–**	**26,938**
	119,290	**57,992**	**9,410**	**186,692**
Timing of revenue recognition				
Over time				
Service revenue	**117,734**	**4,987**	**9,177**	**131,898**
At point in time				
License fee revenue	**1,556**	**–**	**–**	**1,556**
Trading income	**–**	**53,005**	**233**	**53,238**
	1,556	**53,005**	**233**	**54,794**
	119,290	**57,992**	**9,410**	**186,692**

	SLD	SLL	JHD	Total
	HK$'000	HK$'000	HK$'000	HK$'000
For the six months period ended 30 June 2025 (unaudited)				
Geographical markets				
Mainland China	91,642	53,200	22,040	166,882
Hong Kong, Macao and Taiwan	16,152	2,119	–	18,271
Overseas	9,212	227	–	9,439
	117,006	55,546	22,040	194,592
Timing of revenue recognition				
Over time				
Service revenue	116,125	4,699	16,357	137,181
At point in time				
License fee revenue	881	–	–	881
Trading income	–	50,847	5,683	56,530
	881	50,847	5,683	57,411
	117,006	55,546	22,040	194,592

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months period ended 30 June 2026

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

SEGMENT REVENUE AND RESULTS

	SLD HK$'000	SLL HK$'000	JHD HK$'000	Total HK$'000
For the six months period ended 30 June 2026 (unaudited)				
Revenue				
Segment revenue	**122,443**	**59,114**	**11,207**	**192,764**
Inter-segment revenue	**(3,153)**	**(1,122)**	**(1,797)**	**(6,072)**
Segment revenue from external customers	**119,290**	**57,992**	**9,410**	**186,692**
Segment results	**19,435**	**3,715**	**(6,370)**	**16,780**
Corporate expenses				**(10,652)**
Other (losses) and gains				**(398)**
Other income				**1,424**
Share of profit of an associate				**39**
Finance costs				**(561)**
Profit before taxation				**6,632**

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months period ended 30 June 2026

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

	Six months period ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Net impairment losses recognised in respect of		
— trade receivables	**7,958**	5,251
— contract assets	**2,257**	4,542
	10,215	9,793

The basis of determining the data, assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months period ended 30 June 2026 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

5. INCOME TAX EXPENSE

	Six months period ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Current tax:		
PRC Enterprise Income Tax	**5,924**	3,025
Overseas Corporate Income Tax	**–**	14
	5,924	3,039
Under provision in prior years:		
PRC Enterprise Income Tax	**1,081**	21
Deferred taxation	**(1,621)**	(226)
	5,384	2,834

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

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

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

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

The Group is controlled by Jangho Group Co., Ltd., which is within the scope of tax law enacted or substantively enacted to implement the Organisation for Economic Co-operation and Development ("**OECD**") Pillar Two model rules ("**Pillar Two income taxes**"). The Group has applied the mandatory temporary exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

For the six months period ended 30 June 2026, the Group has assessed its own exposure to Pillar Two income taxes based on its financial results. As the effective tax rate of the Group for the period exceeded 15%, thus no current tax expense related to Pillar Two income taxes has been recognised in profit or loss. The Group does not expect any material exposure to Pillar Two income taxes in the foreseeable future.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months period ended 30 June 2026

6. PROFIT FOR THE PERIOD

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

	Six months period ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Amortisation of intangible assets		
— included in cost of sales	**89**	87
— included in administrative expenses	**95**	101
	184	188
Cost of inventories recognised as an expense	**34,075**	33,713
Depreciation of property, plant and equipment	**1,086**	2,452
Depreciation of right-of-use assets	**7,338**	9,246
Exchange gain, net	**(1,378)**	(38)
Interest income from banks	**(75)**	(114)
Interest on bank borrowings	**–**	454
Interest on lease liabilities	**561**	785
Loss (gain) on lease termination	**1,776**	(15)
Gain on lease modification	**–**	(821)
Grants received from local government (Note 1)	**(590)**	(26)
PRC incentive rebates (Note 2)	**(126)**	(296)

Notes:

1. 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.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months period ended 30 June 2026

7. EARNINGS PER SHARE

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

	Six months period ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Profit		
Profit for the period attributable to owners of the Company for the purposes of basic and diluted earnings per share	**2,324**	1,590

	Six months period ended 30 June	
	2026	2025
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**1,141,401,000**	1,141,401,000

Diluted earnings per share for the six months period ended 30 June 2026 and 2025 are the same as basic earnings per share as there are no potential dilutive ordinary shares in existence during the periods presented.

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

During the six months period ended 30 June 2026, the Group acquired property, plant and equipment of HK$860,000 (six months period ended 30 June 2025: HK$612,000).

During the six months period ended 30 June 2026, the Group did not enter into new lease arrangements. The Group early terminated a lease with the lease liability of HK$196,000, with a corresponding reduction in the right-of-use assets of HK$192,000.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months period ended 30 June 2026

9. TRADE RECEIVABLES

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
Trade receivables	**205,105**	197,791
Less: allowance for credit losses	**(77,395)**	(68,890)
Trade receivables (net carrying amount)	**127,710**	128,901
Unbilled receivables (Note)	**77,515**	60,709
Less: allowance for credit losses	**(36,154)**	(32,742)
Unbilled receivables (net carrying amount)	**41,361**	27,967
	169,071	156,868

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

Included in the carrying amount of trade receivables as at 30 June 2026 is an amount of HK$5,291,000 (31 December 2025: HK$6,334,000) due from related parties controlled by a controlling shareholder of the Company.

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

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
0 to 30 days	**31,337**	46,671
31 to 90 days	**11,701**	24,380
91 to 180 days	**11,683**	9,858
181 days to 1 year	**35,327**	10,286
Over 1 year	**37,662**	37,706
	127,710	128,901

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months period ended 30 June 2026

9. TRADE RECEIVABLES (CONTINUED)

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

As at 30 June 2026, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK$127,710,000 (31 December 2025: HK$128,901,000) which are past due as at the reporting date. Out of the past due balances, HK$84,672,000 (31 December 2025: HK$57,850,000) has been past due more than 90 days and is not considered as in default since the amounts are still considered as recoverable based on historical experience and forward-looking estimates. As at 30 June 2026, the Group's trade receivables of HK$8,197,000 (31 December 2025: HK$7,858,000) are collateralised by certain PRC properties of clients, of which HK$8,197,000 (31 December 2025: HK$7,858,000) are related to debtors with balances due over 1 year.

The basis of determining the inputs and assumptions and the estimation techniques for the assessment of the impairment losses under ECL model used in the condensed consolidated financial statements for the six months period ended 30 June 2026 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
Other receivables	**4,511**	4,570
Value-added tax recoverable	**1,225**	604
Prepayments of expenses	**2,576**	3,490
Deposits paid for acquisition of property, plant and equipment	**732**	–
Rental deposits	**2,514**	4,098
Other deposits	**1,111**	1,316
	12,669	14,078
Analysed as:		
Current	**9,423**	9,980
Non-current — Deposits paid for acquisition of property, plant and equipment	**732**	–
Non-current — Rental deposits	**2,514**	4,098
	12,669	14,078

Including in the carrying amount of other receivables as at 30 June 2026 is HK$290,000 (31 December 2025: HK$1,239,000), which is unsecured, interest free and repayable on demand, due from a related party controlled by a controlling shareholder of the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months period ended 30 June 2026

11. CONTRACT ASSETS AND CONTRACT LIABILITIES

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
Contract assets		
Interior design services	**122,821**	126,822
Interior decorating and furnishing services	**382**	5,124
Less: allowance for credit losses	**(51,644)**	(47,642)
	71,559	84,304

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

Included in the carrying amount of contract assets as at 30 June 2026 is an amount of HK$352,000 (31 December 2025: HK$438,000) from related parties controlled by a controlling shareholder of the Company.

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
Contract liabilities		
Interior design services	**7,628**	8,811
Interior decorating and furnishing services	**13,874**	12,049
	21,502	20,860

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

12. RESTRICTED BANK BALANCES

As at 30 June 2026, the restricted bank balances amounted to approximately Renminbi ("**RMB**")1,672,000 (equivalent to approximately HK$1,923,000) was due to a labour dispute initiated by a former employee against a PRC subsidiary of the Company in April 2026. The frozen balance has not yet been released as at the date of this report, details of which are set out in note 18.

As at 31 December 2025, the restricted bank balance amounted to approximately 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 construction 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months period ended 30 June 2026

13. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED CHARGES

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

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
0 to 180 days	**40,533**	38,132
Over 180 days	**18,932**	27,836
	59,465	65,968

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

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
Accrued staff benefits	**8,197**	13,514
Other payables and accrued charges	**6,572**	6,521
	14,769	20,035

Including in the carrying amount of other payables as at 30 June 2026 is an amount of HK$590,000 (31 December 2025: nil), which is unsecured, interest free and repayable on demand, due to a related party controlled by a controlling shareholder of the Company.

14. SHARE CAPITAL

	Number of shares	**HK$**
Ordinary shares of the Company of HK$0.01 each		
Authorised		
At 1 January 2025 (audited), 31 December 2025 (audited) and 30 June 2026 (unaudited)	4,000,000,000	40,000,000
Issued and fully paid		
At 1 January 2025 (audited), 31 December 2025 (audited) and 30 June 2026 (unaudited)	1,141,401,000	11,414,010

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months period ended 30 June 2026

15. RELATED PARTY TRANSACTIONS

Other than the balances and transactions with related parties disclosed elsewhere in these condensed consolidated financial statements, the Group has entered into the following transactions with its related parties during the periods:

		Six months period ended 30 June	
Relationship	**Nature of transactions**	**2026**	2025
		HK$'000	HK$'000
		(Unaudited)	(Unaudited)
Fellow subsidiaries	Consultancy services expense	**645**	580
	Interior design service income	**1,401**	362
	Rental expense	**843**	1,150

COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of key management personnel of the Group is as follows:

	Six months period ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Basic salaries, allowance and other benefits	**6,110**	5,957
Discretionary bonus	**900**	1,691
Retirement benefits scheme contributions	**287**	287
	7,297	7,935

The remuneration of key management personnel is determined by the Directors having regard to the performance of the Group.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial assets and financial liabilities carried at amortised cost as reflected in the condensed consolidated statement of financial position approximate their respective fair values due to relative short term maturity of these financial instruments.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months period ended 30 June 2026

17. SHARE-BASED PAYMENT TRANSACTIONS

On 11 June 2018, the Company adopted the share option scheme (the "**Share Option Scheme**"). Details of the Share Option Scheme are disclosed in the section "Corporate Governance and Other Information" of this report.

During the six months periods ended 30 June 2026 and 2025, no options were granted, exercised, lapsed, or cancelled. As at 30 June 2026, no options were outstanding under the Share Option Scheme and thus the number of options available for grant under the Share Option Scheme remained 114,000,000 at the beginning and the end of the Period.

18. CONTINGENT LIABILITIES

As at 30 June 2026, the Group had the following contingent liabilities arising from legal proceedings:

1. In April 2026, a former employee initiated a labour dispute against a PRC subsidiary of the Company. Consequently, a sum of approximately RMB1,672,000 (equivalent to approximately HK$1,923,000) in a bank account of such PRC subsidiary has been frozen pursuant to a court order in April 2026 and the frozen balance has not yet been released as at the date of this report. The case is currently in the first-instance proceeding before the Beijing Shunyi District People's Court.

2. In June 2026, a vendor filed five lawsuits against a PRC subsidiary of the Company in June 2026 in relation to contractual disputes concerning the provision of construction drawings services. The aggregate amount claimed in these cases is approximately RMB361,000 (equivalent to approximately HK$415,000). These cases are currently at the pre-litigation mediation stage.

Since the legal proceedings of the cases mentioned above are still at an early stage, it is impractical to assess the potential impact to the Group. As at the date of this report, an aggregate contingent liability of approximately RMB2,033,000 (equivalent to approximately HK$2,338,000) has been noted.

In addition, as at 30 June 2026, 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 on approximately RMB158,000 (equivalent to approximately HK$182,000). 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.

19. CAPITAL COMMITMENT

The Group had commitments outstanding at the end of each reporting period not provided were as follows:

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
Contracted for acquisition of property, plant and equipment	**6,332**	–