Sundart

SUNDART HOLDINGS LIMITED
承達集團有限公司

(incorporated under the laws of British Virgin Islands with limited liability)

Stock code : 1568

2026 INTERIM REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ng Tak Kwan *(Chief Executive Officer)*
Mr. Ng Chi Hang
Mr. Ding Jingyong
Mr. Guan Yihe
Mr. Xie Jianyu *(Chief Financial Officer)*

Non-executive Director

Mr. Liu Zaiwang *(Chairman)*

Independent non-executive Directors

Ms. Tam Yin Ming Cecilia
Mr. Huang Pu
Mr. Li Zheng

AUDIT COMMITTEE

Ms. Tam Yin Ming Cecilia *(Chairlady)*
Mr. Huang Pu
Mr. Li Zheng

REMUNERATION COMMITTEE

Mr. Huang Pu *(Chairman)*
Mr. Ng Tak Kwan
Ms. Tam Yin Ming Cecilia

NOMINATION COMMITTEE

Mr. Liu Zaiwang *(Chairman)*
Mr. Huang Pu
Mr. Li Zheng
Ms. Tam Yin Ming Cecilia

INTERNAL CONTROL COMMITTEE

Mr. Liu Zaiwang *(Chairman)*
Mr. Xie Jianyu

COMPANY SECRETARY

Ms. Chui Muk Heung

AUTHORISED REPRESENTATIVES

Mr. Xie Jianyu
Ms. Chui Muk Heung

AUDITOR

BDO Limited
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance
25/F, Wing On Centre
111 Connaught Road Central
Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

Kenneth Chong Law Office
Room 1408, 14/F, Dominion Centre
43-59 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited
Dah Sing Bank, Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

REGISTERED OFFICE

Commerce House
Wickhams Cay 1
P.O. Box 3140, Road Town
Tortola
British Virgin Islands VG1110

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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370 Kwun Tong Road
Kowloon
Hong Kong

BVI PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (BVI) Limited
Commerce House
Wickhams Cay 1
P.O. Box 3140, Road Town
Tortola
British Virgin Islands VG1110

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17/F
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

STOCK CODE

1568

COMPANY'S WEBSITE

www.sundart.com

INVESTOR RELATIONS

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Management Discussion and Analysis

BUSINESS REVIEW

SUNDART HOLDINGS LIMITED 承達集團有限公司 (the "**Company**") and its subsidiaries (collectively, the "**Group**") is one of the leading integrated fitting-out contractors in the Hong Kong Special Administrative Region ("**Hong Kong**"), the Macau Special Administrative Region ("**Macau**"), the Republic of Singapore ("**Singapore**") and the People's Republic of China (the "**PRC**"), specialising in providing professional fitting-out works for commercial buildings, hotels and residential properties. The Group also engages in the provision of alteration and addition and construction works in Hong Kong; and manufacturing in the PRC of, and international sourcing and distribution of, interior decorative materials. During the six months ended 30 June 2026 (the "**Period**"), the Group's fitting-out business contributed approximately 98.1% of the Group's revenue.

Leveraging its established reputation and track record of premium project execution, the Group successfully navigated a challenging operating environment marked by persistent macroeconomic and geopolitical shifts during the Period. Instead of adopting a defensive posture, the Group proactively strengthened its market position by deepening relationships with core customers, optimising operational efficiencies and implementing agile market strategies. These strategic initiatives enabled the Group to continuously secure large-scale fitting-out projects, further reinforcing its long-term growth and development in the industry.

Fitting-out works

The Group's fitting-out business primarily comprises fitting-out works carried out for commercial buildings, hotels, residential properties, serviced apartments and other properties in Hong Kong, Macau, Singapore and the PRC. During the Period, the fitting-out business continued to be a key contributor to the Group's revenue and profit.

During the Period, the Group completed a total of 33 fitting-out projects, comprising 8 in Hong Kong, 2 in Macau, 1 in Singapore and 22 in the PRC. The total contract sum of such projects amounted to HK$3,001.5 million, of which HK$263.2 million was recognised as revenue during the Period. As at 30 June 2026, the Group had 171 projects on hand (including contracts in progress and contracts signed but yet to commence), with 23 in Hong Kong, 6 in Macau, 5 in Singapore and 137 in the PRC. The total contract sum and the value of the outstanding works of such projects as at 30 June 2026 amounted to HK$12,339.8 million and HK$6,324.6 million, respectively.

During the Period, the Group's revenue from its fitting-out business increased by HK$479.4 million or 21.5% year-on-year to HK$2,712.8 million (six months ended 30 June 2025 (the "**Previous Period**"): HK$2,233.4 million). This increase was primarily driven by the active progress of several large-scale fitting-out projects in Macau and the PRC, which collectively contributed a year-on-year revenue increase of HK$524.2 million.

The Group's gross profit from its fitting-out business during the Period increased by HK$49.0 million or 19.5% year-on-year to HK$300.7 million (Previous Period: HK$251.7 million). This increase was primarily driven by the expansion in revenue, while the gross profit margin remained stable at 11.1% (Previous Period: 11.3%).

Alteration and addition and construction works

The Group carried out its alteration and addition and construction business, including construction, interior decoration, repair, maintenance and alteration and addition works, in Hong Kong.

During the Period, the Group did not complete any alteration and addition and construction projects.

During the Period, the Group's revenue from its alteration and addition and construction business decreased by HK$4.2 million or 85.7% year-on-year to HK$0.7 million (Previous Period: HK$4.9 million). This decrease was primarily due to the final account agreement achieved for a residential construction project during the Previous Period, which resulted in a high base for comparison.

The Group recorded a gross loss of HK$4.4 million from this segment during the Period, compared to a gross profit of HK$2.2 million in the Previous Period, with a gross loss margin of 628.6% (Previous Period: gross profit margin of 44.9%). The shift from gross profit to gross loss was primarily attributable to the aforementioned decrease in revenue, while certain fixed project costs were still incurred despite the lower revenue recognised.

Manufacturing, sourcing and distribution of interior decorative materials

The Group's integrated manufacturing and research and development capabilities in the PRC remain a key pillar of its competitive advantage. Through its subsidiary, 東莞承達家居有限公司 (Dongguan Sundart Home Furnishing Co., Ltd.*), the Group operates a manufacturing and warehousing facility in Dongguan, Guangdong Province, the PRC, with an aggregate gross floor area of approximately 40,000 square metres. This facility specialises in manufacturing interior decorative timber products, including fire-rated timber doors and wooden furniture, and providing quality and reliable re-engineering and pre-fabrication services to support the Group's large-scale fitting-out projects.

To bolster the long-term growth of the Group, 廣東承達智能環保建材科技有限公司 (Guangdong Sundart Digital Decoration Materials Technology Limited*), an indirect wholly-owned subsidiary of the Company, completed its new manufacturing and warehousing complex, together with ancillary facilities in Meizhou, Guangdong Province, the PRC, with an aggregate gross floor area of approximately 66,000 square metres, which commenced its trial production during the Period. The Group is strategically executing a phased relocation of its production and warehousing operations from Dongguan to Meizhou which is expected to significantly expand production capacity, optimise operational efficiency and drive sustainable business development of the Group.

During the Period, the Group's revenue from its manufacturing, sourcing and distribution of interior decorative materials business derived from external customers increased by HK$8.2 million to HK$52.7 million (Previous Period: HK$44.5 million). This increase was primarily attributed to the ongoing delivery of timber and marble products under a major sales order secured in 2024 from a customer in the Republic of the Philippines (the "**Philippines**"), which remained outstanding as at 30 June 2026.

In line with this revenue growth, gross profit from this segment increased to HK$47.7 million during the Period (Previous Period: HK$11.3 million), with the gross profit margin rising to 90.5% (Previous Period: 25.4%). The improvement in both gross profit and margin was mainly driven by the high-margin nature of the aforementioned Philippine order, coupled with the reversal of an over-provision of production costs made in the Previous Period.

FINANCIAL REVIEW

Revenue, gross profit and gross profit margin

During the Period, the Group's revenue increased by HK$483.4 million or 21.2% year-on-year to HK$2,766.2 million (Previous Period: HK$2,282.8 million), while its gross profit increased by HK$78.9 million or 29.8% year-on-year to HK$344.1 million (Previous Period: HK$265.2 million) and its gross profit margin increased to 12.4% (Previous Period: 11.6%). The increase in revenue was primarily driven by the expansion of the Group's fitting-out business, as discussed in the "Business Review – Fitting-out works" section above. Meanwhile, the increase in both gross profit and gross profit margin was mainly attributable to the solid performance of the fitting-out business, further supported by the high profitability of, and cost reversal in, the manufacturing, sourcing and distribution of interior decorative materials business during the Period.

Other income, other gains and losses

The Group recorded net other income of HK$28.2 million for the Period (Previous Period: HK$17.3 million). This increase was mainly attributable to the decrease in net foreign exchange losses and fair value losses on investment properties. Details of other income, other gains and losses are set out in note 5 to the condensed consolidated financial statements in this interim report.

Profit for the period attributable to owners of the Company

The Group's profit for the period attributable to owners of the Company increased by HK$15.9 million or 11.7% year-on-year to HK$151.3 million (Previous Period: HK$135.4 million). This increase was primarily driven by the higher gross profit as discussed above, but was partially offset by impairment losses of HK$25.6 million under the expected credit loss model (Previous Period: a reversal of impairment losses of HK$18.2 million).

Basic and diluted earnings per share

The Company's basic and diluted earnings per share for the Period was HK7.00 cents (Previous Period: HK6.27 cents), increased by HK0.73 cents or 11.6% year-on-year, which is in line with the increase in profit for the period attributable to owners of the Company. Details of earnings per share are set out in note 10 to the condensed consolidated financial statements in this interim report.

Material acquisition and disposal

No material acquisition and disposal of subsidiaries, associates and joint ventures was carried out by the Group during the Period.

Financial assets at fair value through profit or loss

As at 30 June 2026, the Group's financial assets at fair value through profit or loss ("**FVTPL**") comprised HK$17.5 million and HK$8.0 million (31 December 2025: HK$14.2 million and HK$6.9 million) of listed equity securities and financial products, respectively.

During the Period, the Group recognised a fair value gain of HK$4.4 million from its financial assets at FVTPL in profit or loss, mainly driven by the rise in market prices of listed equity securities.

In terms of the prospects of the Group's financial assets at FVTPL, the performance of the listed equity securities and financial products held by the Group remain subject to financial market conditions, which may change rapidly and unpredictably.

None of the above financial assets at FVTPL held by the Group had a value of 5% or more of the total assets of the Group, and the Group did not hold any significant investments during the Period.

The Group will continuously adopt a prudent investment strategy and assess the performance of its portfolio of investments so as to make timely and appropriate adjustments on its investments for the maximisation of returns to the shareholders of the Company (the "**Shareholders**"). In addition, as the Group is subject to the market risks associated with its investments, the management of the Group will closely monitor the performance of the Group's investments from time to time and take appropriate risk management actions.

Future plans for material investments or capital assets

As at 11 August 2026, the Group did not have any plans for material investments or capital assets.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and financial resources and capital structure

The management and control of the Group's financial, capital management and external financing functions are centralised at its headquarters in Hong Kong. The Group adheres to the principle of prudent financial management to minimise the financial and operational risks it is exposed to. During the Period, the Group mainly relied on internally generated funds to finance its business operations.

During the Period, the Group continued to maintain solid financial and cash positions. As at 30 June 2026, the Group's net current assets amounted to HK$2,716.5 million, representing an increase of HK$97.1 million from HK$2,619.4 million as at 31 December 2025. The Group's bank balances and cash amounted to HK$1,884.5 million, representing a decrease of HK$100.6 million from HK$1,985.1 million as at 31 December 2025. The decrease was primarily attributable to dividend payments made during the Period.

As at 30 June 2026, the bank borrowings of the Group amounted to HK$29.3 million (31 December 2025: HK$40.6 million), all of which were repayable within one year. The Group's bank borrowings are not subject to seasonal fluctuations.

During the Period, the Group continued to maintain a healthy liquidity position. As at 30 June 2026, the Group's current assets and current liabilities amounted to HK$6,018.0 million and HK$3,301.5 million, respectively (31 December 2025: HK$6,056.5 million and HK$3,437.1 million, respectively). The Group's current ratio remained stable at 1.8 as at 30 June 2026 (31 December 2025: 1.8). The Group maintained sufficient liquid assets to finance its business operations during the Period.

As at 30 June 2026, the Group's gearing ratio of total debts (bank borrowings) divided by total equity was 0.8% (31 December 2025: 1.1%). The decrease in gearing ratio was primarily due to the decrease in the Group's bank borrowings.

As at 30 June 2026, the share capital and equity attributable to owners of the Company amounted to HK$1,260.9 million and HK$3,732.5 million, respectively (31 December 2025: HK$1,246.8 million and HK$3,615.6 million, respectively).

Charge on the Group's assets

As at 30 June 2026, the Group's pledged bank deposits amounted to HK$137.9 million (31 December 2025: HK$138.3 million). These deposits were pledged to secure certain bills payable, certain performance bonds and an advance payment bond.

Contingent liabilities and capital commitments

The Group did not have any significant contingent liabilities as at 30 June 2026 and 31 December 2025, respectively.

As at 30 June 2026, the Group had capital commitments of HK$12.4 million (31 December 2025: HK$27.6 million) in relation to purchases of property, plant and equipment.

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

The Group operates in various regions with different foreign currencies including Macau Pataca, Renminbi ("**RMB**"), Singapore dollars and United States dollars. As at 30 June 2026, the Group's bank borrowings of HK$29.3 million were made in RMB at fixed rates, and cash and cash equivalents held were mainly in Hong Kong dollars ("**HK$**") and RMB. As at 11 August 2026, the Group did not implement any foreign currencies and interest rates hedging policies. The Group's management will closely monitor the movement of both exchange rate and interest rate and will consider to hedge against any significant aforesaid exposure when necessary.

Credit risk exposure

Though the Group's major customers are reputable property developers, hotel owners and main contractors, since 2020, the Group has experienced delays in the settlement of its PRC projects by property developers of the PRC, many of which experienced downgrading of credit ratings by international credit rating agencies. Considering the Group's historical credit losses, the current and forecasts of economic conditions of the PRC, forward-looking factors and prospects of the real estate industry of the PRC and taking into account the credit risk characteristics of different projects, the Group has assessed each customer's expected credit loss rate as well as the impairment losses under its expected credit loss model. Nonetheless, the Group will continue to monitor and strengthen its collection measures and adopt prudent credit policies to mitigate credit risk exposure. Save as disclosed herein, the Group was not exposed to any significant credit risk during the Period. The Group's management reviews the recoverability of trade receivables and closely monitors the financial position of the customers from time to time with a view of keeping the Group's credit risk exposure at a reasonably low level.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to the Period and up to 11 August 2026 which had materially affected the Group's operating and financial performance.

EMPLOYEES AND REMUNERATION POLICIES

The Group remunerates its employees based on performance, experience and prevailing industry practice. Discretionary bonuses are awarded based on individual performance in recognition of their contribution. The Group also provides training programmes to enhance employees' skills and knowledge.

As at 30 June 2026, the Group had 1,727 employees (31 December 2025: 1,575 employees). The Group's gross staff costs (including the emoluments of the Company's directors (the "**Directors**")) increased by HK$12.3 million or 5.0% year-on-year to HK$260.2 million for the Period (Previous Period: HK$247.9 million). This increase was primarily attributable to growth in headcount, which was specifically expanded to support the trial production of the factory in Meizhou, Guangdong Province, the PRC during the Period.

USE OF PROCEEDS FROM PLACING

On 21 May 2026, the Company completed the placing of 22,000,000 new shares of the Company under general mandate, raising net proceeds of HK$14.1 million (the "**Placing**").

As at 30 June 2026, the net proceeds had been utilised as follows:

- HK$4.2 million was utilised to finance the project costs for fitting-out contracts awarded in 2026, in line with the intended use; and

- HK$9.9 million remained unutilised and was deposited in licensed banks in Hong Kong.

The Group expects to fully utilise the remaining net proceeds by 31 December 2026, subject to business needs and prevailing market conditions.

For further details of the Placing, please refer to the Company's announcements dated 5 May, 15 May, and 21 May 2026.

OUTLOOK

The Group's operating environment remained resilient during the Period, characterised by a healthy pipeline of project enquiries and tendering activities. Backed by its proven track record in project execution and stringent cost controls, the Group maintained a steady momentum in core operations while further strengthening its financial position.

Looking ahead, the Group remains cautiously optimistic yet strategically proactive about its business prospects. It will continue to leverage its established multi-regional presence across Hong Kong, Macau, Singapore and the PRC to capture high-value opportunities, particularly in the resilient hospitality and other high-end projects.

Despite persistent macroeconomic uncertainties, the Group is well-positioned to drive profitability through disciplined project selection and rigorous margin management. By balancing prudent risk control with selective expansion, the Group is fully committed to enhancing operational resilience and delivering sustainable long-term value to its Shareholders.

Corporate Governance and Other Information

INTERIM DIVIDEND

The board of Directors (the "**Board**") did not recommend the payment of an interim dividend for the Period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures 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) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) 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 of Hong Kong Limited (the "**Listing Rules**") to be notified to the Company and the Stock Exchange are set out as follows:

Long position in the ordinary shares of the Company (the "Shares") and underlying Shares

Name of Director	Nature of interests/capacity	Number of Shares held	Approximate percentage of interests in the Company
Mr. Liu Zaiwang (劉載望) ("**Mr. Liu**") *(note)*	Interest in controlled corporation	1,281,516,117	58.78%

Note:

These Shares were indirectly held by 江河創建集團股份有限公司 (Jangho Group Company Limited*) ("**Jangho Co**") through Jangho Hong Kong Holdings Limited ("**Jangho HK**") and REACH GLORY INTERNATIONAL LIMITED ("**Reach Glory**"). As Jangho Co was approximately 27.86% beneficially owned by 北京江河源控股有限公司 (Beijing Jiangheyuan Holdings Co., Ltd.*) ("**Beijing Jiangheyuan**") (a company which was 85% and 15% beneficially owned by Mr. Liu and his spouse, Ms. Fu Haixia (富海霞) ("**Ms. Fu**"), respectively) and approximately 25.53% beneficially owned by Mr. Liu, Mr. Liu was deemed to be interested in such Shares under the SFO.

Save as disclosed above, as at 30 June 2026, having made sufficient enquiry to and with the best knowledge of the Directors or the chief executive of the Company, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures 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 they were deemed or taken 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.

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

As at 30 June 2026, and so far as is known to the Directors and the chief executive of the Company, the persons (other than the Directors or the chief executive of the Company) or entities who had an interest or a short position in the Shares and the underlying Shares (within the meaning of Part XV of the SFO), which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, are set out as follows:

Long positions in the Shares and underlying Shares

Name of substantial shareholder	Nature of interests/capacity	Number of Shares held	Approximate percentage of interests in the Company *(Note 1)*
Reach Glory	Beneficial owner	1,281,516,117	58.78%
Jangho HK *(note 2)*	Interest in controlled corporation	1,281,516,117	58.78%
Jangho Co *(note 3)*	Interest in controlled corporation	1,281,516,117	58.78%
Beijing Jiangheyuan *(note 4)*	Interest in controlled corporation	1,281,516,117	58.78%
Ms. Fu *(note 5)*	Interest of spouse	1,281,516,117	58.78%
Caiyun International Investment Limited ("**Caiyun International**")	Beneficial owner	353,144,337	16.20%
雲南省康旅控股集團有限公司 (Yunnan Health & Cultural Tourism Holding Group Co., Ltd.*) ("**Yunnan Co**") *(note 6)*	Interest in controlled corporation	353,144,337	16.20%

Notes:

1. 2,180,210,000 Shares were in issue as at 30 June 2026.
2. Reach Glory was beneficially wholly-owned by Jangho HK and therefore Jangho HK was deemed to be interested in the Shares held by Reach Glory under the SFO.
3. Jangho HK was beneficially wholly-owned by Jangho Co and therefore Jangho Co was deemed to be interested in the Shares indirectly held by Jangho HK through Reach Glory under the SFO.
4. Ms. Fu, the spouse of Mr. Liu, was the sole director of Beijing Jiangheyuan. The board of directors of Jangho Co was controlled by Beijing Jiangheyuan and therefore Beijing Jiangheyuan was deemed to be interested in the Shares indirectly held by Jangho Co through Jangho HK and Reach Glory under the SFO.
5. Ms. Fu is the spouse of Mr. Liu and was therefore deemed to be interested in the Shares indirectly held by Mr. Liu under the SFO.
6. Caiyun International was beneficially wholly-owned by Yunnan Co and therefore Yunnan Co was deemed to be interested in the Shares held by Caiyun International under the SFO.

Save as disclosed above, the Directors and the chief executive of the Company are not aware of any other person (other than the Directors or the chief executive of the Company) who/which had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO as at 30 June 2026.

SHARE OPTION SCHEME

The Company did not have any share option scheme during the Period.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors, or their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company, or had exercised any such right during the Period.

CHANGES IN DIRECTOR'S INFORMATION

There was no change to the Director's information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Period.

NON-COMPETITION UNDERTAKING

In order to avoid any possible future competition between the Group and each of the controlling shareholders of the Company, namely Mr. Liu, Ms. Fu, Beijing Jiangheyuan, Jangho Co, Jangho HK and Reach Glory, each of the controlling shareholders of the Company as a covenantor (the "**Covenantor**") executed an amended and restated deed of non-competition dated 25 July 2017 in favour of the Company (for itself and as trustee for each of its subsidiaries), pursuant to which, each of the Covenantors undertakes, *inter alia*, that it/he/she will not, and will use its/his/her best endeavours to procure, its/his/her close associates (other than any member of the Group) not to, whether directly or indirectly, whether for profit or not, participate in or engage in any business which, directly or indirectly, competes or may compete with the Group's business. For details, please refer to the announcements of the Company dated 17 May 2017 and 25 July 2017 and the circular of the Company dated 30 June 2017, respectively.

SANCTIONS

During the Period, a meeting of the internal control committee of the Board was held on 19 March 2026 to review, *inter alia*, the Group's guidelines and procedures with respect to sanction law matters. The internal control committee of the Board was of the view that such guidelines and procedures, which have been complied with, were effective and well-functioned.

As at 30 June 2026, the Group has not used any funds raised through the Stock Exchange, to finance or facilitate, directly or indirectly, any activities or business in breach of the sanctions enacted, enforced or imposed by the United States government, the European Union and Australian government with respect to Russia.

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 (including sale of treasury shares) during the Period. As at 30 June 2026, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE CODE

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

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

Code provision C.1.5 of the CG Code specifies that the independent non-executive Directors and other non-executive Directors should attend general meetings of the Company to gain and develop a balanced understanding of the views of the Shareholders. An independent non-executive Director and the non-executive Director were absent from the last annual general meeting of the Company held on 1 June 2026 due to their other business commitments.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made with all the Directors and all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Period. The Company has adopted the same Model Code for securities transactions by employees who are likely to be in possession of inside information of the Company. To the best knowledge of the Directors, there was no incident of non-compliance with the Model Code by the relevant employees during the Period.

REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated financial statements of the Group for the Period have been reviewed by the Company's external auditor, BDO Limited, 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 Hong Kong Institute of Certified Public Accountants, whose unmodified review report for the Period is included in this interim report.

The audit committee of the Board has reviewed this interim report, and has also reviewed and discussed the accounting principles and policies adopted by the Group, the financial information of the Group and the unaudited consolidated interim results of the Group for the Period with the Group's management and the external auditor.

LANGUAGE

The English text of this interim report shall prevail over the Chinese text for the purpose of interpretation.

* *The English translations of the Chinese names of companies established in the PRC are for identification purposes only.*

Report on Review of Interim Condensed Consolidated Financial Statements

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TO THE BOARD OF DIRECTORS OF SUNDART HOLDINGS LIMITED
承達集團有限公司
(incorporated in British Virgin Islands with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 15 to 40 which comprise the condensed consolidated statement of financial position of SUNDART HOLDINGS LIMITED 承達集團有限公司 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 interim condensed consolidated financial statements, including material accounting policy information (the "**interim 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. The directors are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim 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 Hong Kong Institute of Certified Public Accountants. A review of 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 interim 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 ended 30 June 2026

	Notes	Six months ended 30 June	
		2026	2025
		HK$'000	*HK$'000*
		(Unaudited)	*(Unaudited)*
Revenue	*3*	**2,766,199**	2,282,827
Cost of sales		**(2,422,149)**	(2,017,640)
Gross profit		**344,050**	265,187
Other income, other gains and losses	*5*	**28,177**	17,339
(Allowance for) reversal of impairment losses under expected credit loss model, net	*6*	**(25,556)**	18,208
Selling expenses		**(5,074)**	(5,443)
Administrative expenses		**(130,220)**	(109,423)
Other expenses		**(17,711)**	(31,971)
Share of result of an associate		**581**	311
Share of result of a joint venture		**(9,667)**	2,713
Finance costs		**(1,014)**	(1,126)
Profit before tax		**183,566**	155,795
Income tax expense	*7*	**(32,781)**	(20,832)
Profit for the period	*8*	**150,785**	134,963
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**58,692**	46,512
Share of other comprehensive income of an associate		**2,127**	553
Share of other comprehensive (expense) income of a joint venture		**(366)**	1,803
Other comprehensive income for the period		**60,453**	48,868
Total comprehensive income for the period		**211,238**	183,831
Profit for the period attributable to:			
Owners of the Company		**151,329**	135,358
Non-controlling interests		**(544)**	(395)
		150,785	134,963
Total comprehensive income for the period attributable to:			
Owners of the Company		**211,782**	184,226
Non-controlling interests		**(544)**	(395)
		211,238	183,831
Earnings per share			
Basic and diluted *(HK cents)*	*10*	**7.00**	6.27

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	Notes	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**601,709**	588,871
Right-of-use assets		**42,844**	45,615
Investment properties		**50,476**	53,838
Goodwill		**1,510**	1,510
Interest in an associate	11	**96,949**	94,241
Interest in a joint venture	12	**136,702**	152,435
Financial assets at fair value through profit or loss	13	**25,531**	21,063
Prepayments	14	**23,785**	11,559
Deferred tax assets		**41,333**	36,537
		1,020,839	1,005,669
Current assets			
Inventories		**40,374**	23,536
Trade and other receivables and bills receivable	14	**2,794,089**	2,791,505
Amounts due from fellow subsidiaries	15	**2,135**	2,092
Contract assets	16	**1,158,870**	1,115,165
Tax recoverable		**141**	844
Pledged bank deposits		**137,870**	138,272
Bank balances and cash		**1,884,475**	1,985,117
		6,017,954	6,056,531
Current liabilities			
Trade and other payables	17	**2,449,249**	2,605,307
Bills payable	18	**557,529**	528,412
Amount due to a related company	19	**–**	130
Amounts due to fellow subsidiaries	20	**908**	542
Tax payable		**70,686**	39,398
Bank borrowings	21	**29,317**	40,639
Lease liabilities		**13,937**	12,832
Contract liabilities		**179,861**	209,855
		3,301,487	3,437,115
Net current assets		**2,716,467**	2,619,416
Total assets less current liabilities		**3,737,306**	3,625,085

	Note	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
Capital and reserves			
Share capital	22	1,260,921	1,246,815
Reserves		2,471,540	2,368,769
Equity attributable to owners of the Company		3,732,461	3,615,584
Non-controlling interests		65	9
Total equity		3,732,526	3,615,593
Non-current liabilities			
Deferred tax liabilities		849	817
Lease liabilities		3,931	8,675
		4,780	9,492
		3,737,306	3,625,085

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributable to owners of the Company											
	Share capital HK$'000	Share premium HK$'000	Legal reserve HK$'000 (Note a)	Statutory reserve HK$'000 (Note b)	Property revaluation reserve HK$'000	Shareholders' contribution reserve HK$'000	Translation reserve HK$'000	Other reserves HK$'000 (Note c)	Accumulated profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2025 *(audited)*	1,246,815	19,700	60	98,545	16,274	6,615	(125,922)	(277,406)	2,739,933	3,724,614	–	3,724,614
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	46,512	–	–	46,512	–	46,512
Share of other comprehensive income of an associate	–	–	–	–	–	–	553	–	–	553	–	553
Share of other comprehensive income of a joint venture	–	–	–	–	–	–	1,803	–	–	1,803	–	1,803
Profit for the period	–	–	–	–	–	–	–	–	135,358	135,358	(395)	134,963
Total comprehensive income for the period	–	–	–	–	–	–	48,868	–	135,358	184,226	(395)	183,831
Dividends paid *(note 9)*	–	–	–	–	–	–	–	–	(431,642)	(431,642)	–	(431,642)
At 30 June 2025 *(unaudited)*	1,246,815	19,700	60	98,545	16,274	6,615	(77,054)	(277,406)	2,443,649	3,477,198	(395)	3,476,803
At 1 January 2026 *(audited)*	1,246,815	19,700	60	101,821	16,274	6,615	(70,586)	(277,406)	2,572,291	3,615,584	9	3,615,593
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	58,692	–	–	58,692	–	58,692
Share of other comprehensive income of an associate	–	–	–	–	–	–	2,127	–	–	2,127	–	2,127
Share of other comprehensive expense of a joint venture	–	–	–	–	–	–	(366)	–	–	(366)	–	(366)
Profit for the period	–	–	–	–	–	–	–	–	151,329	151,329	(544)	150,785
Total comprehensive income for the period	–	–	–	–	–	–	60,453	–	151,329	211,782	(544)	211,238
Deemed contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	600	600
Dividend paid *(note 9)*	–	–	–	–	–	–	–	–	(109,011)	(109,011)	–	(109,011)
Issue of shares under placing, net of transaction costs	14,106	–	–	–	–	–	–	–	–	14,106	–	14,106
At 30 June 2026 *(unaudited)*	1,260,921	19,700	60	101,821	16,274	6,615	(10,133)	(277,406)	2,614,609	3,732,461	65	3,732,526

Notes:

(a) In accordance with the provisions of the Macau Commercial Code, the subsidiaries of SUNDART HOLDINGS LIMITED 承達集團有限公司 (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") in the Macau Special Administrative Region ("**Macau**") are required to transfer a minimum of 25% of their profits for the year to the legal reserve before appropriation of dividends until the legal reserve equals half of the quota capital of these subsidiaries. This reserve is not distributable to the shareholders.

(b) As stipulated by the relevant laws and regulations in the People's Republic of China (the "**PRC**"), the subsidiaries established in the PRC shall set aside 10% of their net profits based on statutory accounts prepared in accordance with the relevant regulations and accounting principles generally accepted in the PRC to the statutory reserve before the distribution of the net profit each year until the balance reaches 50% of its paid-in capital. The statutory reserve can only be used upon approval by the board of directors of the relevant subsidiary to offset accumulated losses or increase capital.

(c) Other reserves included (i) a credit amount of HK$33,600,000 of recognition of other service costs, which represented the difference between the fair value and consideration (represented by the net assets attributable to) of the acquisition of 10.2% equity interests in the Company by a former director of the Company, and (ii) a debit amount of HK$311,006,000, which represented the merger reserve of the acquisition of 100% equity interests in 北京承達創建裝飾工程有限公司 ("**Sundart Beijing**") in relation to the application of merger accounting to the acquisition of Sundart Beijing, being a business combination involving entities under common control, in prior years.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Net cash used in operating activities	**(24,452)**	(164,009)
Investing activities		
Interest received	**16,728**	27,652
Government grants received for property, plant and equipment	**39,019**	–
Proceeds from disposal of property, plant and equipment	**1,187**	–
Purchases of property, plant and equipment	**(42,836)**	(99,383)
Prepayments for purchase of property, plant and equipment	**(22,301)**	(32,661)
Repayment from a joint venture	**5,700**	–
Advances to a joint venture	**–**	(126,663)
Withdrawal of pledged bank deposits	**100,042**	62,830
Placement of pledged bank deposits	**(97,397)**	(66,636)
Withdrawal of fixed deposits with original maturity of more than three months	**371,471**	342,000
Placement of fixed deposits with original maturity of more than three months	**(467,997)**	(334,882)
Net cash used in investing activities	**(96,384)**	(227,743)
Financing activities		
Dividends paid	**(109,011)**	(431,642)
Interest paid on bank borrowings	**(530)**	(387)
Interest paid on lease liabilities	**(502)**	(769)
Repayments of bank borrowings	**(24,453)**	(21,070)
Repayments of leases liabilities	**(7,147)**	(6,132)
Proceeds from bank borrowings	**11,513**	33,289
Deemed contribution from non-controlling interests	**600**	–
Net proceeds from shares issued under placing	**14,106**	–
Net cash used in financing activities	**(115,424)**	(426,711)
Net decrease in cash and cash equivalents	**(236,260)**	(818,463)
Cash and cash equivalents at the beginning of the period	**1,516,459**	1,704,891
Effect of foreign exchange rate changes on cash and cash equivalents	**39,092**	41,342
Cash and cash equivalents at the end of the period	**1,319,291**	927,770
Represented by:		
Bank balances and cash	**1,884,475**	1,856,691
Less: Fixed deposits with original maturity of more than three months	**(565,184)**	(928,921)
	1,319,291	927,770

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

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 Institute of Certified Public Accountants (the "**HKICPA**") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values.

Other than a change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to HKFRS Accounting Standards

The Group has applied the following amendments to standards issued by the HKICPA to this interim financial report for the current accounting period:

Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11
Amendments to HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements

None of the application of the amendments to standards in the current accounting period has material impact on the Group's performance and financial positions for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.

3. REVENUE

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Contract revenue from fitting-out works	**2,712,795**	2,233,412
Contract revenue from alteration and addition and construction works	**724**	4,889
Manufacturing, sourcing and distribution of interior decorative materials	**52,680**	44,526
	2,766,199	2,282,827

For the six months ended 30 June 2026

	Fitting-out works	Alteration and addition and construction works	Manufacturing, sourcing and distribution of interior decorative materials	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Geographical markets				
The Hong Kong Special Administrative Region ("**Hong Kong**")	873,751	724	–	874,475
Macau	618,344	–	–	618,344
The Republic of Singapore ("**Singapore**")	79,647	–	–	79,647
The PRC	1,141,053	–	–	1,141,053
The Republic of the Philippines	–	–	52,680	52,680
Total	2,712,795	724	52,680	2,766,199
Timing of revenue recognition				
A point in time	–	–	52,680	52,680
Over time	2,712,795	724	–	2,713,519
Total	2,712,795	724	52,680	2,766,199

3. REVENUE *(Continued)*

For the six months ended 30 June 2025

	Fitting-out works *HK$'000* *(Unaudited)*	Alteration and addition and construction works *HK$'000* *(Unaudited)*	Manufacturing, sourcing and distribution of interior decorative materials *HK$'000* *(Unaudited)*	Total *HK$'000* *(Unaudited)*
Geographical markets				
Hong Kong	804,665	4,889	–	809,554
Macau	268,724	–	–	268,724
Singapore	193,566	–	–	193,566
The PRC	966,457	–	–	966,457
The Republic of the Philippines	–	–	44,526	44,526
Total	2,233,412	4,889	44,526	2,282,827
Timing of revenue recognition				
A point in time	–	–	44,526	44,526
Over time	2,233,412	4,889	–	2,238,301
Total	2,233,412	4,889	44,526	2,282,827

4. OPERATING SEGMENTS

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

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

(a) Fitting-out works in Hong Kong;

(b) Fitting-out works in Macau;

(c) Fitting-out works in Singapore;

(d) Fitting-out works in the PRC;

(e) Alteration and addition and construction works in Hong Kong; and

(f) Manufacturing, sourcing and distribution of interior decorative materials.

Information regarding the above segments was reported below:

Segment revenue and results

For the six months ended 30 June 2026

	Fitting-out works in Hong Kong *HK$'000* *(Unaudited)*	Fitting-out works in Macau *HK$'000* *(Unaudited)*	Fitting-out works in Singapore *HK$'000* *(Unaudited)*	Fitting-out works in the PRC *HK$'000* *(Unaudited)*	Alteration and addition and construction works in Hong Kong *HK$'000* *(Unaudited)*	Manufacturing, sourcing and distribution of interior decorative materials *HK$'000* *(Unaudited)*	Segment total *HK$'000* *(Unaudited)*	Elimination *HK$'000* *(Unaudited)*	Consolidated *HK$'000* *(Unaudited)*
Revenue									
External revenue	873,751	618,344	79,647	1,141,053	724	52,680	2,766,199	–	2,766,199
Inter-segment revenue	–	–	–	–	–	107,526	107,526	(107,526)	–
Segment revenue	873,751	618,344	79,647	1,141,053	724	160,206	2,873,725	(107,526)	2,766,199
Segment profit (loss)	72,827	60,027	774	22,036	(4,986)	42,037	192,715	–	192,715
Share of result of an associate									581
Share of result of a joint venture									(9,667)
Unallocated other income									22,652
Unallocated corporate expenses									(21,701)
Unallocated finance costs									(1,014)
Profit before tax									183,566

4. OPERATING SEGMENTS *(Continued)*

Segment revenue and results *(Continued)*

For the six months ended 30 June 2025

	Fitting-out works in Hong Kong HK$'000 (Unaudited)	Fitting-out works in Macau HK$'000 (Unaudited)	Fitting-out works in Singapore HK$'000 (Unaudited)	Fitting-out works in the PRC HK$'000 (Unaudited)	Alteration and addition and construction works in Hong Kong HK$'000 (Unaudited)	Manufacturing, sourcing and distribution of interior decorative materials HK$'000 (Unaudited)	Segment total HK$'000 (Unaudited)	Elimination HK$'000 (Unaudited)	Consolidated HK$'000 (Unaudited)
Revenue									
External revenue	804,665	268,724	193,566	966,457	4,889	44,526	2,282,827	–	2,282,827
Inter-segment revenue	–	–	–	–	–	131,571	131,571	(131,571)	–
Segment revenue	804,665	268,724	193,566	966,457	4,889	176,097	2,414,398	(131,571)	2,282,827
Segment profit	57,698	22,603	684	2,753	1,547	62,766	148,051	–	148,051
Share of result of an associate									311
Share of result of a joint venture									2,713
Unallocated other income									32,975
Unallocated corporate expenses									(27,129)
Unallocated finance costs									(1,126)
Profit before tax									155,795

Segment profit/loss represented the profit earned by/loss from each segment, excluding income and expenses of the corporate function, which included certain other income, certain selling expenses, certain administrative expenses, certain other expenses, share of results of an associate and a joint venture and finance costs. This is the measure reported to the Company's executive directors for the purposes of resource allocation and performance assessment.

Inter-segment revenue was charged at prevailing market rates.

4. OPERATING SEGMENTS *(Continued)*

Segment assets and liabilities

The following was an analysis of the Group's assets and liabilities by reportable and operating segments:

	At 30 June 2026 *HK$'000* *(Unaudited)*	At 31 December 2025 *HK$'000* *(Audited)*
Segment assets		
Fitting-out works in Hong Kong	**1,209,922**	1,289,382
Fitting-out works in Macau	**383,045**	278,624
Fitting-out works in Singapore	**63,322**	82,382
Fitting-out works in the PRC	**2,391,810**	2,368,819
Alteration and addition and construction works in Hong Kong	**47,827**	51,163
Manufacturing, sourcing and distribution of interior decorative materials	**407,524**	369,306
Total segment assets	**4,503,450**	4,439,676

	At 30 June 2026 *HK$'000* *(Unaudited)*	At 31 December 2025 *HK$'000* *(Audited)*
Segment liabilities		
Fitting-out works in Hong Kong	**517,635**	570,543
Fitting-out works in Macau	**263,504**	188,591
Fitting-out works in Singapore	**51,664**	37,536
Fitting-out works in the PRC	**2,105,627**	2,255,238
Alteration and addition and construction works in Hong Kong	**45,969**	46,853
Manufacturing, sourcing and distribution of interior decorative materials	**73,513**	110,116
Total segment liabilities	**3,057,912**	3,208,877

5. OTHER INCOME, OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Other income		
Service fee and entrustment fee income	**18,211**	7,033
Interest income	**16,728**	27,652
Rental income	**1,256**	2,512
Others	**1,795**	1,339
	37,990	38,536
Other gains and losses		
Gain from fair value changes of financial assets at fair value through profit or loss ("**FVTPL**")	**4,414**	2,587
Gain (loss) on disposal of property, plant and equipment	**232**	(15)
Loss from fair value changes of investment properties	**(5,331)**	(7,325)
Net foreign exchange losses	**(9,128)**	(16,444)
	(9,813)	(21,197)
	28,177	17,339

6. (ALLOWANCE FOR) REVERSAL OF IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Impairment loss (recognised) reversed on:		
Trade and other receivables and bills receivable	**(24,566)**	14,215
Contract assets	**(990)**	3,993
	(25,556)	18,208

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2026 have no significant change from those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Current tax		
Hong Kong Profits Tax	**8,689**	7,688
Macau Complementary Tax	**14,747**	8,534
Singapore Corporate Income Tax	**97**	164
PRC Enterprise Income Tax	**12,705**	16
	36,238	16,402
Over provision in prior periods		
Hong Kong Profits Tax	**–**	94
PRC Enterprise Income Tax	**(165)**	(190)
	(165)	(96)
Deferred tax		
Current period	**(3,292)**	4,526
	32,781	20,832

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

Macau Complementary Tax was calculated at 12% of the estimated assessable profits for both periods.

Singapore Corporate Income Tax was calculated at 17% of 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 was 25% for both periods. Certain PRC subsidiaries obtained approval from the relevant tax bureaus and are qualified as High and New Technology Enterprises which are entitled to a tax reduction from 25% to 15%.

On 6 June 2025, the Inland Revenue (Amendment) (Minimum Tax For Multinational Enterprise Groups) Ordinance 2025 was enacted to implement the Pillar Two of the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting – the Global Anti-Base Erosion Rules ("**Pillar Two model rules**") in Hong Kong in which the Group operates. The new tax law is effective from 1 January 2025.

The new tax laws introduce a minimum top-up tax and are applicable to the Group. The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. The Group is within the scope of the Pillar Two model rules. Based on the assessment, the Group should benefit from the transitional safe harbour for all the jurisdictions in which the Group operates. Therefore, the Group does not expect potential exposure to Pillar Two "top-up" taxes. The Group continues to monitor developments relating to the Pillar Two model rules including the new tax laws.

Following the exception required by HKAS 12, the Group has not recognised deferred tax assets and liabilities, if any, related to Pillar Two income taxes.

8. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**16,306**	11,801
Depreciation of right-of-use assets	**7,279**	6,959
	23,585	18,760
Cost of inventories recognised as expenses in respect of		
External revenue	**4,972**	33,203
Inter-segment revenue	**73,488**	53,536
	78,460	86,739
Write-down of inventories to net realisable value (included in cost of sales)	**29**	8
Contract costs recognised as expenses		
Fitting-out works *(note)*	**2,412,073**	1,981,707
Alteration and addition and construction works	**5,075**	2,722
	2,417,148	1,984,429
Research and development expenses (included in other expenses)	**17,506**	31,432
Staff costs		
Gross staff costs (including directors' emoluments)	**260,195**	247,936
Less: Staff costs included in contract costs, inventories and research and development expenses	**(173,197)**	(177,035)
	86,998	70,901
Gross rental income from investment properties	**(1,256)**	(2,512)
Less: Direct operating expenses incurred for investment properties that generated rental income during the period	**181**	304
	(1,075)	(2,208)

Note: Contract costs of fitting-out works recognised as expenses included cost of inventories recognised as expenses of HK$73,488,000 (six months ended 30 June 2025: HK$53,536,000).

9. DIVIDENDS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Dividends for ordinary shareholders of the Company recognised as distribution during the period:		
2025 final dividend – HK5 cents per share (six months ended 30 June 2025: 2024 final dividend – HK6 cents per share and 2024 special dividend – HK14 cents per share)	**109,011**	431,642

The board of directors of the Company did not recommend the payment of an interim dividend for both periods.

10. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	**151,329**	135,358

	Six months ended 30 June	
	2026	2025
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**2,163,193**	2,158,210

Diluted earnings per share are the same as the basic earnings per share as the Company had no dilutive potential ordinary shares in existence for both periods.

11. INTEREST IN AN ASSOCIATE

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
Unlisted shares, at cost	–	–
Deemed contribution to an associate *(note)*	56,517	56,517
Share of post-acquisition profits and other comprehensive expenses, net of dividends received	40,432	37,724
	96,949	94,241

Note: Deemed contribution to an associate represents loans advanced to the associate that are unsecured, interest-free and have no fixed repayment terms. In the opinion of the directors of the Company, such loans are in substance formed part of investment in the associate.

12. INTEREST IN A JOINT VENTURE

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
Unlisted shares, at cost	–	–
Deemed contribution to a joint venture *(note)*	137,213	142,913
Share of post-acquisition (loss) profit and other comprehensive income	(511)	9,522
	136,702	152,435

Note: Deemed contribution to a joint venture represents loans advanced to the joint venture that are unsecured, interest-free and have no fixed repayment terms. In the opinion of the directors of the Company, such loans are in substance formed part of investment in the joint venture. During the period, a repayment of HK$5,700,000 (six months ended 30 June 2025: nil) was received in respect of these loans.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
Listed equity securities	17,491	14,170
Financial products	8,040	6,893
	25,531	21,063

During the period, a fair value gain on financial assets at FVTPL of HK$4,414,000 (six months ended 30 June 2025: HK$2,587,000) was recognised in profit or loss.

14. TRADE AND OTHER RECEIVABLES AND BILLS RECEIVABLE

Trade and other receivables and bills receivable at the end of each reporting period comprised receivables from third parties as follows:

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
Trade receivables (gross carrying amount)		
Fitting-out works	**1,131,814**	1,259,675
Manufacturing, sourcing and distribution of interior decorative materials	**14,866**	11,055
	1,146,680	1,270,730
Less: Allowance for credit losses	**(168,242)**	(148,267)
Trade receivables (net carrying amount)	**978,438**	1,122,463
Unbilled receivables (gross carrying amount) *(note)*	**1,392,774**	1,247,876
Less: Allowance for credit losses	**(119,848)**	(106,400)
Unbilled receivables (net carrying amount)	**1,272,926**	1,141,476
Other receivables (gross carrying amount)	**137,884**	137,685
Less: Allowance for credit losses	**(29,293)**	(29,834)
Other receivables (net carrying amount)	**108,591**	107,851
Bills receivable (gross carrying amount)	**13,281**	47,304
Less: Allowance for credit losses	**(104)**	(808)
Bills receivable (net carrying amount)	**13,177**	46,496
Prepayments and deposits	**444,742**	384,778
	2,817,874	2,803,064
Analysed for reporting purposes as:		
Current assets	**2,794,089**	2,791,505
Non-current assets	**23,785**	11,559
	2,817,874	2,803,064

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

14. TRADE AND OTHER RECEIVABLES AND BILLS RECEIVABLE *(Continued)*

Trade receivables

The Group allows a credit period of 14 to 90 days to its trade customers. The following was an ageing analysis of trade receivables, net of allowance for credit losses, presented based on invoice date at the end of each reporting period:

	At 30 June 2026 *HK$'000* *(Unaudited)*	At 31 December 2025 *HK$'000* *(Audited)*
1–30 days	**404,809**	531,642
31–60 days	**69,128**	105,249
61–90 days	**44,618**	72,469
Over 90 days	**459,883**	413,103
	978,438	1,122,463

Bills receivable

As at 30 June 2026, the carrying amount of bills receivable amounting to HK$13,177,000 (31 December 2025: HK$46,496,000) were held by the Group for settlement. All bills receivable held by the Group were with a maturity period of less than one year.

Ageing of bills receivable, net of allowance for credit losses, was as follows:

	At 30 June 2026 *HK$'000* *(Unaudited)*	At 31 December 2025 *HK$'000* *(Audited)*
1–30 days	**2,938**	21,037 *(Note)*
31–60 days	**175**	850
Over 90 days	**10,064**	24,609
	13,177	46,496

Note: As at 31 December 2025, the relevant bills receivable amounting to HK$2,285,000 were issued by fellow subsidiaries.

15. AMOUNTS DUE FROM FELLOW SUBSIDIARIES

The Group allows a credit period of 30 days to its trade receivables due from fellow subsidiaries. The following was an ageing analysis of trade receivables due from fellow subsidiaries presented based on invoice date at the end of each reporting period:

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
1–30 days	**–**	1,004
Over 90 days	**2,135**	1,088
	2,135	2,092

16. CONTRACT ASSETS

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
Contract assets (gross carrying amount)		
Fitting-out works	**1,166,305**	1,117,536
Alteration and addition and construction works	**27,193**	30,479
Manufacturing, sourcing and distribution of interior decorative materials	**214**	206
	1,193,712	1,148,221
Less: Allowance for credit losses	**(34,842)**	(33,056)
Net carrying amount shown under current assets	**1,158,870**	1,115,165

As at 30 June 2026, contract assets included HK$136,000 (31 December 2025: HK$131,000) from a fellow subsidiary.

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

The Group applies the simplified approach to provide the expected credit loss prescribed by HKFRS 9. An impairment loss of HK$990,000 was recognised during the period (six months ended 30 June 2025: reversal of HK$3,993,000).

17. TRADE AND OTHER PAYABLES

Trade and other payables at the end of the reporting period comprised amounts outstanding for trade purposes and daily operating costs. The credit period taken for trade purchase is 7 to 45 days.

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
Contract creditors and suppliers	**1,860,925**	1,839,400
Retentions payable	**369,152**	480,599
	2,230,077	2,319,999
Other tax payables	**139,475**	132,983
Other payables and accruals	**79,697**	152,325
	2,449,249	2,605,307

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

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
1–30 days	**1,348,638**	1,272,541
31–60 days	**63,481**	77,167
61–90 days	**24,071**	41,601
Over 90 days	**424,735**	448,091
	1,860,925	1,839,400

As at 30 June 2026, the Group's retentions payable of HK$140,245,000 (31 December 2025: HK$181,611,000) were expected to be paid after one year.

18. BILLS PAYABLE

As at 30 June 2026 and 31 December 2025, certain bills payable were secured by certain pledged bank deposits and were repayable as follows:

	At 30 June 2026 ***HK$'000*** ***(Unaudited)***	At 31 December 2025 *HK$'000* *(Audited)*
1–30 days	**115,012**	133,183
31–60 days	**170,901**	93,682
61–90 days	**42,673**	97,129
Over 90 days	**228,943**	204,418
	557,529	528,412

19. AMOUNT DUE TO A RELATED COMPANY

As at 31 December 2025, the amount due to a related company, in which Mr. Liu Zaiwang (the non-executive director and a controlling shareholder of the Company) and his spouse have beneficial interests, represented rental income received in advance.

20. AMOUNTS DUE TO FELLOW SUBSIDIARIES

	At 30 June 2026 ***HK$'000*** ***(Unaudited)***	At 31 December 2025 *HK$'000* *(Audited)*
Retentions payable	**581**	227
Other payables	**327**	315
	908	542

20. AMOUNTS DUE TO FELLOW SUBSIDIARIES *(Continued)*

Retentions payable to fellow subsidiaries

As at 31 December 2025, retentions payable to fellow subsidiaries of HK$3,000 were expected to be paid after one year.

Other payables to fellow subsidiaries

As at 30 June 2026 and 31 December 2025, other payables to fellow subsidiaries represented rental income received in advance.

21. BANK BORROWINGS

	At 30 June 2026		At 31 December 2025	
	The range of effective interest rates *(per annum)*	**Carrying amount *HK$'000***	The range of effective interest rates *(per annum)*	Carrying amount *HK$'000*
	(Unaudited)		*(Audited)*	
Unsecured fixed-rate borrowings	**2.70% to 2.85%**	**29,317**	2.85% to 2.90%	40,639

22. SHARE CAPITAL

	Number of shares *'000*	**Share capital** *HK$'000*
Issued and fully paid ordinary shares with no par value		
At 1 January 2025 *(audited)*, 30 June 2025 *(unaudited)* and 1 January 2026 *(audited)*	2,158,210	1,246,815
Shares issued under placing *(note)*	22,000	14,106
At 30 June 2026 *(unaudited)*	2,180,210	1,260,921

Note: On 21 May 2026, the Company completed the placing of 22,000,000 new shares of the Company at a placing price of HK$0.66 per share to not less than six independent placees through a placing agent. The gross proceeds from the placing were HK$14,520,000. After deducting directly attributable transaction costs of HK$414,000, the net proceeds of HK$14,106,000 were credited to the share capital of the Company.

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial instruments are measured at fair values for financial reporting purposes. The management of the Group determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of a financial asset, the Group uses market-observable data to the extent available. Where Levels 1 or 2 inputs are not available, the management of the Group establishes the appropriate valuation techniques and inputs to the model. The management team reports its findings to the directors of the Company regularly to explain the cause of fluctuations in the fair values of the assets.

The fair values of these financial assets, as well as the level of the fair value hierarchy within which the fair value measurements are categorised into Levels 1, 2 or 3, are determined based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

	At 30 June 2026 *HK$'000* *(Unaudited)*	At 31 December 2025 *HK$'000* *(Audited)*	Fair value hierarchy
Financial assets at FVTPL			
Listed equity securities	**17,491**	14,170	Level 1
Financial products	**8,040**	6,893	Level 2
	25,531	21,063	

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

There were no transfers between Levels 1 and 2 during both periods. The Group will recognise transfers among levels of fair value hierarchy as at the end of the reporting period in which they occur.

The fair values of listed equity securities are determined with reference to quoted market bid prices from relevant stock exchanges.

As at 30 June 2026 and 31 December 2025, the fair values of financial products are determined with reference to the fair values of the underlying assets and liabilities, which are primarily based on observable market inputs.

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

Except as detailed in above, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

24. PERFORMANCE BONDS, ADVANCE PAYMENT BONDS AND TENDER BONDS

As at 30 June 2026, the Group has issued performance bonds, advance payment bonds and tender bonds in respect of certain supply and installation contracts through financial institutions amounting to HK$1,185,720,000 (31 December 2025: HK$1,043,669,000).

As at 30 June 2026 and 31 December 2025, certain performance bonds and an advance payment bond issued were secured by certain pledged bank deposits. In addition, a performance bond and an advance payment bond were guaranteed by a fellow subsidiary during the six months ended 30 June 2025, and such guarantees were fully released in December 2025. The Group did not pay any charges for the guarantees provided.

25. RELATED PARTY TRANSACTIONS

Apart from bills receivable, amounts due from fellow subsidiaries, contract assets from a fellow subsidiary, amount due to a related company, amounts due to fellow subsidiaries and bonds guaranteed by a fellow subsidiary as set out in notes 14, 15, 16, 19, 20 and 24, respectively, the Group has following transactions with its related parties:

Relationships	Nature of transactions	Six months ended 30 June	
		2026	2025
		HK$'000	*HK$'000*
		(Unaudited)	*(Unaudited)*
Ultimate holding company	Entrustment fee income	**162**	155
Fellow subsidiaries	Rental income	**968**	1,735
	Specialised works subcontracting costs	**5,664**	33
	Purchase of interior decorative materials	**137**	–
A subsidiary of a joint venture	Management services fee income	**300**	–
	Purchase of marble materials	**187**	8
Related companies	Rental income	**133**	556
	Construction management fee expenses capitalised into property, plant and equipment	**2,481**	2,849
	Property management fee expenses	**143**	72

In addition,

(a) as at 30 June 2026, the ultimate holding company had outstanding performance bonds amounting to HK$11,626,000 (31 December 2025: HK$22,208,000) issued in favour of customers of the Group through a financial institution.

(b) as at 30 June 2026 and 31 December 2025, the banking facilities of Sundart Beijing and its subsidiary were guaranteed by the ultimate holding company. Neither Sundart Beijing nor its subsidiary paid any charges for the guarantees provided.

Note: All related party transactions were recorded by the subsidiaries of the Company, except for the entrustment fee income, which was recorded by the Company.

25. RELATED PARTY TRANSACTIONS *(Continued)*

Compensation of key management personnel

The remuneration of key management personnel of the Group during the period was as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Salaries and short-term benefits	**27,418**	29,399
Post-employment benefits	**184**	179
	27,602	29,578

The remuneration of key management personnel was determined by the directors of the Company having regard to the performance of individuals and the Group.