



SYMPHONY

新豐集團有限公司
SYMPHONY HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code : 01223

2025

INTERIM REPORT



SYMPHONY

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Cheng Tun Nei (*Chairman & Chief Executive Officer*)
Mr. Chan Kar Lee Gary
Mr. Lee Cheung Ming
Ms. Fung Kim Wan Ewim

Independent Non-executive Directors

Mr. Shum Pui Kay
Mr. Wah Wang Kei Jackie
Mr. Chow Yu Chun Alexander⁽¹⁾
Ms. Ma Yin Fan⁽²⁾

BOARD COMMITTEES

Audit Committee

Mr. Chow Yu Chun Alexander (*Chairman*)⁽¹⁾
Ms. Ma Yin Fan (*Chairlady*)⁽²⁾
Mr. Shum Pui Kay
Mr. Wah Wang Kei Jackie

Remuneration Committee

Mr. Wah Wang Kei Jackie (*Chairman*)
Mr. Shum Pui Kay
Mr. Chow Yu Chun Alexander⁽¹⁾
Ms. Ma Yin Fan⁽²⁾

Nomination Committee

Mr. Cheng Tun Nei (*Chairman*)
Mr. Shum Pui Kay
Mr. Wah Wang Kei Jackie⁽³⁾
Ms. Ma Yin Fan⁽²⁾

COMPANY SECRETARY

Mr. Tam Sik Wai

AUDITOR

BDO Limited
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

10/F., Island Place Tower
510 King's Road
North Point
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG SHARE REGISTRAR

Tricor Tengis Limited
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Bank of East Asia, Limited
First Commercial Bank Limited
Bank of China (Hong Kong) Limited

WEBSITE

www.symphonyholdings.com

STOCK CODE

1223

Notes:

⁽¹⁾ Retired on 20 June 2025

⁽²⁾ Appointed on 20 June 2025

⁽³⁾ Ceased to be a member of Nomination Committee on 20 June 2025

Chairman's Statement

Dear Shareholders,

On behalf of the board (the **"Board"**) of directors (the **"Directors"**) of Symphony Holdings Limited (the **"Company"**), I hereby present the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the **"Group"** or **"Symphony Group"**) for the six months ended 30 June 2025 (the **"Period"**) together with comparative figures for the corresponding period in 2024 (the **"Corresponding Period"**).

During the first half of 2025, the global economy presented a complicated situation amidst the combined impact of trade frictions and structural adjustments, coupled with the high interest rate environment, continuing to put industry operation under pressure. In the face of multiple challenges, Symphony Group upheld its down-to-earth and innovative business motto, and demonstrated remarkable cyclical adaptation and operational resilience through strategic business layout.

Our core retail brand "Park Outlets" gave full play to the operational synergies between outlets model and community business. "Park Outlets" in Xiamen maintained its strong growth momentum. All major brands in the mall hit a record high of single-day sales in January to successfully reach the milestone of achieving total sales of over RMB100 million for the first month of the year for four consecutive years. Upon re-opening after completion of store upgrading, the flagship stores of international sportswear brands in our outlets recoded a new regional high in single-day sales. By introducing first-tier international brands to optimize its business portfolio, "Park Outlets" in Shenyang achieved breakthrough in sales performance during the May Day Golden Week and Dragon Boat Festival holiday. We achieved remarkable progress in our digital transformation: AI-based market analysis system effectively improved operational decision-making accuracy; live streaming on WeChat channel drove two-way increase in member engagement rate and sales conversion rate, with the online and offline integrated business model becoming increasingly matured. Focusing on necessary household consumption, the community malls located in Chongqing and Tianjin continued to attract high-value customer group by providing catering, education and other life services. During the Period, "Park Outlets" in Xiamen was granted "Periodic Incentives for Retail Enterprises Included in Statistical Reporting System" (零售業納統企業階段性獎勵) by the Commerce Bureau, while "Park Outlets" in Shenyang won industry recognitions such as "Store for the Year of the Northern Region of Douyin Life Service" (抖音生活服務北部大區年度優質好店), highlighting their outstanding operation capability.

The brand business achieved cross-sector synergistic development. The compression sportswear brand "SKINS" optimized its global strategic layout, consolidated resources to explore the core markets, restructured its supply chain system, and deepened cooperation with international athletes and top-notch sports events. The brand proactively participated in industry events such as Xiamen China Marathon Expo and ISPO Shanghai, strengthening its position as professional sportswear technology brand.

As to health care business, leveraging on the sophisticated product system built up with over 100 self-owned and cooperated brands, Supremium Bio-Technology Limited (**"SBT"**) won high recognition from the local consumers. During the Period, it successfully expanded cross-border e-commerce channels, expedited the penetration into the Southeast Asia market, and facilitated the regional development of the Hong Kong brands.

With the gradual release of production capacity, Japanese wine brand "Hakuryu" made concerted efforts to enhance the construction of high-end catering channels and increase exposure in industry exhibitions, so as to continuously improve its brand recognition and explore major overseas markets.

The financial business stuck to the prudent operation principal, and strived to explore quality customer group while perfecting its risk management system. Benefiting from the recovery in the capital market in the first half of the year, the performance of the business was in line with the Company's expectations, providing steady revenue stream for the Group.

Chairman's Statement

Looking forward to the second half of the year, although the global economy will continue to face challenges arising from reshaping of trade landscape and supply chain restructuring, the Chinese economy will maintain the stable growth momentum. The government will continue to introduce targeted policies to stimulate domestic demand, optimize consumption environment, and promote service-based and green consumption, creating new growth drivers for the market. The Group will seize the opportunities brought by such policies and advance its strategic layout to drive high-quality development.

The retail segment will focus on the consumption upgrading trend, and strengthen the younger and diversified brand layout by introducing international luxury brands and local avant-garde designer brands. To innovate the marketing model, the segment plans to organize themed shopping festival and cross-sector collaborative activities by leveraging on holiday economy, and push forward the omni-channel digital transformation, realizing efficient traffic conversion with short video marketing and targeted membership outreach mechanism. The upgrading of hardware facilities will focus on the improvement of scenario experience and enhancement of synergetic effect among the stores, creating an immersive consumption environment.

The brand business will take the path of differentiated development: SKINS will promote the development of mass-market product pipeline and innovation of regional cooperation model; SBT will focus on the exploration of middle-aged and elderly health management and youth health niche markets in the Greater Bay Area and Southeast Asia; Japanese wine brand "Hakuryu" will accelerate the promotion campaign in the major and North American markets, so as to advance the penetration of the Japanese-style catering channels.

While facilitating steady development, the Group will adapt to market changes by making dynamic adjustments to its business strategy and continuously optimize its operation efficiency.

On behalf of the Board, I hereby extend my sincere thanks to shareholders, employees, business partners and customers. Symphony Group will uphold its commitment to creating long-term value, and open up a new development chapter together with the stakeholders.

Cheng Tun Nei

Chairman

Hong Kong, 29 August 2025

Management Discussion and Analysis

FINANCIAL REVIEW

Overview of interim results

For the Period, the Group's overall revenue decreased by approximately 1.4% to approximately HKD148.2 million (Corresponding Period: approximately HKD150.3 million).

The Group's earnings before interest, taxes, depreciation and amortisation increased from approximately HKD72.3 million for the Corresponding Period to approximately HKD73.9 million for the Period. The Group recorded an unaudited consolidated loss of approximately HKD12.8 million for the Period as compared with an unaudited consolidated loss of approximately HKD26.7 million for the Corresponding Period. Total comprehensive income attributable to owners of the Company for the Period amounted to approximately HKD45.4 million, representing a reversal from total comprehensive income attributable to owners of the Company of approximately HKD-83.5 million for the Corresponding Period.

The Group's net asset value increased from approximately HKD2,319.0 million as at 31 December 2024 to approximately HKD2,345.2 million as at 30 June 2025.

Segment information

Branding

The branding segment comprised of: (i) development and management of "SKINS" trademarks; (ii) sourcing, manufacturing and trading of healthcare products in Hong Kong; and (iii) distribution of Japanese wine.

Revenue for the Period amounted to approximately HKD20.2 million (Corresponding Period: approximately HKD23.2 million), representing a decrease of approximately 13.2%. The segment gross profit margin increased from approximately 57.7% for the Corresponding Period to approximately 62.5% for the Period. Reportable segment loss for the Period amounted to approximately HKD2.5 million (Corresponding Period: reportable segment loss of approximately HKD0.8 million).

Retailing

The retailing segment comprised of: (i) management and operation of outlet malls located in Xiamen, Shenyang and Anyang of the PRC; and (ii) investment properties including commercial premises located in Hong Kong, Beijing and Shanghai of the PRC and community malls located in Chongqing and Tianjin of the PRC. The investment properties are held under long-term leases and for the purpose of either earning rental income or capital appreciation.

Revenue for the Period amounted to approximately HKD119.8 million (Corresponding Period: approximately HKD118.2 million), representing an increase of approximately 1.4%. Reportable segment profit for the Period amounted to approximately HKD11.3 million (Corresponding Period: reportable segment profit of approximately HKD13.4 million).

Financial services

The financial services segment continues to generate service income or interest income from the provision of securities brokerage, margin financing, money lending and financial consultancy services in Hong Kong.

Revenue for the Period amounted to approximately HKD8.3 million (Corresponding Period: approximately HKD8.9 million), representing a decrease of approximately 7.2%. Reportable segment loss for the Period amounted to approximately HKD1.9 million (Corresponding Period: reportable segment loss of approximately HKD0.4 million).

Management Discussion and Analysis

Cost of sales and gross profit

Cost of sales comprised of the cost of goods sold. The cost of sales decreased from approximately HKD9.8 million for the Corresponding Period to approximately HKD7.6 million for the Period, representing a decrease of approximately 23.0%.

Gross profit for the Period amounted to approximately HKD140.7 million, representing an increase of approximately HKD0.2 million or approximately 0.1% as compared with approximately HKD140.5 million for the Corresponding Period.

Other income and gains

Other income and gains mainly comprised of the reimbursement income of outlet malls and government grants. Other income and gains increased from approximately HKD25.0 million for the Corresponding Period to approximately HKD35.7 million for the Period, representing an increase of approximately 42.8%.

Distribution and selling expenses

Distribution and selling expenses mainly comprised of the advertising and promotion expenses and employees' costs. Distribution and selling expenses increased from approximately HKD26.8 million for the Corresponding Period to approximately HKD29.7 million for the Period, representing an increase of approximately 11.0%.

Administrative expenses

Administrative expenses mainly comprised of employees' costs, PRC tax surcharges and levies, professional fees and utility expenses. Administrative expenses increased from approximately HKD64.8 million for the Corresponding Period to approximately HKD69.4 million for the Period, representing an increase of approximately 7.2%.

Finance costs

Finance costs mainly comprised of interest expenses on bank borrowings. Finance costs decreased from approximately HKD48.9 million for the Corresponding Period to approximately HKD39.7 million for the Period, representing a decrease of approximately 18.9%.

Fair value loss on financial assets at fair value through profit or loss

Fair value loss on financial assets at fair value through profit or loss for the Period amounted to approximately HKD2.5 million, representing an increase of approximately HKD1.9 million as compared with the fair value loss of approximately HKD0.6 million for the Corresponding Period.

Income tax expense

Income tax expense increased from approximately HKD3.6 million for the Corresponding Period to approximately HKD5.4 million for the Period, representing an increase of approximately 50.8%.

Loss for the period attributable to owners of the Company

The Group reported loss for the period attributable to owners of the Company of approximately HKD13.3 million for the Period as compared with loss of approximately HKD28.4 million for the Corresponding Period. The reduction in loss was mainly due to the combined effect of, among others, (i) an increase in other income and gains; and (ii) the decrease in finance costs due to the decline in Hong Kong Interbank Offered Rate.

MARKET INFORMATION

During the Period, revenue from the PRC, Hong Kong and other Asian countries comprised of approximately 95.2% (Corresponding Period: approximately 94.7%) of the total revenue and the remaining 4.8% (Corresponding Period: approximately 5.3%) shared between the United States of America and other countries.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group had bank balances and cash amounted to approximately HKD65.8 million (31 December 2024: approximately HKD77.2 million). The Group was offered banking facilities amounted to approximately HKD1,505.6 million (31 December 2024: approximately HKD1,720.0 million).

As at 30 June 2025, the Group's bank borrowing amounted to approximately HKD1,151.2 million (31 December 2024: approximately HKD1,140.4 million). The Group had variable interest-rate bank borrowings carried at interest rates from approximately 1.79% to 6.81% (Corresponding Period: approximately 1.92% to 7.83%) per annum. The Group's gearing ratio, expressed as a percentage of the total outstanding net debt (being the total bank borrowings less bank balances and cash) to total equity, was approximately 46.3% (31 December 2024: approximately 45.8%). Bank borrowings of approximately HKD570.7 million (31 December 2024: approximately HKD704.5 million) was repayable within one year (subject to potential refinancing and/or extension of the due date(s)), while the remaining balance was repayable from two to seventeen years.

As at 30 June 2025, the Group's current assets and current liabilities were approximately HKD1,283.5 million (31 December 2024: approximately HKD1,274.7 million) and HKD1,022.3 million (31 December 2024: approximately HKD1,162.6 million) respectively. Accordingly, the Group's current ratio that expressed as the ratio of the current assets to current liabilities was approximately 1.26 as at 30 June 2025 (31 December 2024: approximately 1.10).

PLEDGE OF ASSETS

As at 30 June 2025, the Group had pledged (i) certain of its leasehold land and buildings, outlet mall buildings, investment properties, right-of-use assets and assets classified as held for sale, with the respective carrying amounts of approximately HKD229.8 million, HKD1,500.7 million, HKD491.5 million, HKD406.4 million and HKD735.4 million (31 December 2024: approximately HKD235.0 million, HKD1,480.9 million, HKD477.8 million, HKD401.3 million and HKD720.9 million); (ii) shares of certain of the Company's subsidiaries; (iii) corporate guarantees provided by the Company and certain of its subsidiaries and a related party; and (iv) personal guarantee provided by a director of the Company, to secure the banking facilities offered to the Group.

CAPITAL COMMITMENTS

As at 30 June 2025, the Group's capital commitment was approximately HKD6.1 million in respect of the construction costs of outlet mall buildings located in Shenyang of the PRC (31 December 2024: approximately HKD8.1 million).

Save as disclosed above, the Group had no other material capital commitments as at 30 June 2025.

CAPITAL EXPENDITURE

Capital expenditure, which includes purchases of property, plant and equipment and construction costs of outlet mall buildings located in Shenyang of the PRC, was approximately HKD3.1 million for the Period (Corresponding Period: approximately HKD0.6 million).

CONTINGENT LIABILITIES

Details of potential tax liabilities in connection with the potential tax penalty arising from the late filing of the PRC tax returns for reporting the PRC Enterprise Income Tax to the PRC tax authority are disclosed in Note 8 to the Interim Condensed Consolidated Financial Statements.

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group's total number of employees was 249 (30 June 2024: 265). Employees' costs (excluding Directors' emoluments) amounted to approximately HKD27.1 million (Corresponding Period: approximately HKD29.3 million).

In addition to competitive remuneration packages, discretionary bonus and employee share options are offered to the Group's eligible staff based on their performance and individual merits. The Group also provides other benefits including insurance, medical scheme and retirement plans to its employees.

TREASURY POLICY

Several principal subsidiaries of the Group are exposed to foreign currency risk primarily through sales and purchases which give rise to monetary assets and monetary liabilities that are denominated in Renminbi and United States Dollars. During the Period, the Group did not enter into any financial derivatives for hedging purpose. Nevertheless, the management monitors the Group's foreign exchange exposure from time to time. Appropriate measures would be undertaken by the management when the exchange rate fluctuations become significant.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (Corresponding Period: Nil).

MATERIAL ACQUISITION, DISPOSAL, SIGNIFICANT INVESTMENTS AND FUTURE PLANS OF MATERIAL INVESTMENT

On 25 February 2025, the Company (as purchaser) and ITOCHU Corporation ("**ITOCHU**") (as seller) entered into a share sale and purchase agreement pursuant to which the Company agreed to purchase, and ITOCHU agreed to sell, 600,000 shares of SYM ITO Sales and Distribution Company Limited ("**SYM ITO**", together with its subsidiaries, "**SYM ITO Group**"), representing 15% of the total issued shares of SYM ITO for a consideration of USD0.6 million (equivalent to approximately HKD4.7 million) (the "**Acquisition**"). Upon completion of the Acquisition on 28 February 2025, the Company holds 100% interest in SYM ITO and SYM ITO has become as a wholly owned subsidiary of the Company.

As ITOCHU was a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of SYM ITO, the Acquisition constituted a connected transaction for the Company under Chapter 14A of the Listing Rules. The connected transaction under the Acquisition fell within the de minimis threshold under Rule 14A.76(2) of the Listing Rules and therefore was only subject to the reporting and announcement requirements, but exempted from the circular, independent financial advice and independent shareholders' approval requirements contemplated under Chapter 14A of the Listing Rules.

The consideration for the Acquisition was determined after arm's length negotiation between the parties having considered, among others, (i) the net asset value of SYM ITO Group as at 31 December 2023 of approximately USD1.7 million (equivalent to approximately HKD13.3 million); (ii) the gross profit of SYM ITO Group for the year ended 31 December 2023 of approximately USD3.6 million (equivalent to approximately HKD28.1 million); and (iii) the future business prospects and future financial performance of SYM ITO Group.

SYM ITO Group is principally engaged in the designing, manufacturing, marketing and distributing of the compression and high-performance sportswear and apparels of "SKINS".

The Board is of the view that the Acquisition will enable the Group to gain full control over SYM ITO Group and greater flexibility in the strategic directions and day-to-day management of SYM ITO Group, and hence, to achieve operational and management efficiency of the Group.

Management Discussion and Analysis

Going forward, by fully controlling SYM ITO through the Acquisition, the Company intends to continue to grow the “SKINS” business. The Group believes that there is potential in the further expansion of the “SKINS” business and therefore intends to launch brand image rebuilding campaign to enhance the brand awareness, and upgrade the collection mix through product development and innovation, in order to realise its potential. The Group has also been exploring potential opportunities and development, and upgrading the distribution network of “SKINS” products.

The Acquisition is conducive to the development of SYM ITO Group and the “SKINS” business, which will enable the Group to broaden its revenue base in long run by securing more opportunities throughout the development process.

By broadening the revenue base of the “SKINS” business through the aforesaid development after the Acquisition, it is positive that there will be a significant growth in the turnover of SYM ITO Group over the next few years. Further, it is expected that the operating costs of SYM ITO Group will be reduced by the enhancement of operational and management efficiency brought by the Acquisition. Therefore, by reducing loss and gradually improving the profitability of SYM ITO Group over the next few years, the Group is optimistic of the prospects of “SKINS” business and the future financial performance of SYM ITO Group subsequent to the Acquisition, and hence provide a positive contribution to the financial results of the Group.

Please refer to the announcement of the Company dated 25 February 2025 for further details.

Save as disclosed herein, the Group had no material acquisitions, disposals, significant investments and future plans of material investment during the Period.

EVENTS AFTER THE REPORTING PERIOD

There was no significant event affecting the Group that had occurred after 30 June 2025 and up to date of this report.

Other Information

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

As at 30 June 2025, the interests and short positions of the Directors and chief executives and their associates 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 (Chapter 571, the Laws of Hong Kong) (the "**SFO**") which (a) were required 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 are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 (the "**Model Code**") of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") to be notified to the Company and the Stock Exchange were as follows:

Long positions in the ordinary shares of the Company

Director	Capacity/ Nature of interest	Number of ordinary shares held	Total number of ordinary shares held	Approximate percentage of the issued share capital
Cheng Tun Nei (" Mr. Cheng ")	Beneficial owner Interest in a controlled corporation	179,320,000 1,136,790,000	1,316,110,000 (Note 1)	44.25%
Chan Kar Lee Gary	Beneficial owner	11,000,000	11,000,000	0.37%
Lee Cheung Ming (" Mr. Lee ")	Beneficial owner Interest of spouse	91,050,000 2,000,000	93,050,000 (Note 2)	3.13%
Fung Kim Wan Ewim	Beneficial owner	99,044,000	99,040,000	3.33%
Shum Pui Kay	Beneficial owner	10,000,000	10,000,000	0.34%

Notes:

1. Mr. Cheng owned the entire issued share capital of Goldsilk Capital Limited ("**Goldsilk**"). As at 30 June 2025, Goldsilk was directly interested in 1,136,790,000 shares of the Company. Together with his direct interest as beneficial owner of 179,320,000 shares of the Company, Mr. Cheng was deemed to be interested in 1,316,110,000 shares of the Company in total.
2. As at 30 June 2025, Mr. Lee was directly interested in 91,050,000 shares of the Company and he was deemed to be interested in 2,000,000 shares of the Company held by his spouse. He was thus deemed to be interested in 93,050,000 shares of the Company in total.

Save as disclosed above, (1) none of the Directors or chief executives of the Company or their associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register which were required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; and (2) none of the Directors of the Company or their spouses or children under the age of 18, had been granted any right to subscribe for the equity or debt securities of the Company or any of its associated corporations, or had exercised any such right during the six months ended 30 June 2025.

Other Information

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

As at 30 June 2025, the following persons had interests and short positions of 5% or more of the issued share capital and underlying shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in the ordinary shares of the Company

Shareholder	Capacity/ Nature of interest	Number of ordinary shares held	Total number of ordinary shares held	Approximate percentage of the issued share capital
Mr. Cheng	Beneficial owner Interest in a controlled corporation	179,320,000 1,136,790,000	1,316,110,000 (Note 1)	44.25%
Goldsilk	Beneficial owner	1,136,790,000	1,136,790,000 (Note 1)	38.22%
Or Ching Fai ("Mr. Or")	Beneficial owner Interest held jointly with another person	350,000,000 120,000,000	470,000,000 (Note 2)	15.80%
Wong Lai Ning ("Madam Wong")	Interest held jointly with another person Interest of spouse	120,000,000 350,000,000	470,000,000 (Note 2)	15.80%

Notes:

- As at 30 June 2025, Goldsilk was directly interested in 1,136,790,000 shares of the Company and Goldsilk is wholly owned by Mr. Cheng. Together with his direct interest as beneficial owner of 179,320,000 shares of the Company, Mr. Cheng was thus deemed to be interested in 1,316,110,000 shares of the Company.
- As at 30 June 2025, Mr. Or was directly interested in 350,000,000 shares of the Company and he also held 120,000,000 shares of the Company jointly with his spouse, Madam Wong. Therefore, Mr. Or and Madam Wong were deemed to be interested in 470,000,000 shares of the Company.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 30 June 2025.

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

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

Other Information

SHARE OPTION SCHEMES

A share option scheme (the “**2021 Scheme**”) was adopted by the Company on 25 June 2021 to provide incentives and/or rewards to the participants, by way of granting options. On 23 June 2023, the 2021 Scheme was terminated and a new share option scheme (the “**2023 Scheme**”) was adopted by the Company. The 2023 Scheme will remain in force for a period of 10 years commencing from the adoption date to give the participants with the opportunity to acquire proprietary interests in the Company and to encourage them to work towards enhancing the value of the Company and its shares for the benefit of the Company and the shareholders as a whole. Under the 2023 Scheme, the Directors may at their discretion grant options to eligible participants to subscribe for shares in the Company.

During the Period and the Corresponding Period, no share option was granted, exercised, cancelled, or lapsed, and there was no outstanding share option under the 2021 Scheme and the 2023 Scheme. No option has been granted under the 2023 Scheme since its adoption.

The number of options available for grant under the Scheme Mandate Limit of the 2023 Scheme as at 1 January 2025 and 30 June 2025 were 297,422,523 and 297,422,523 respectively. The number of options available for grant under the Service Provider Sublimit of the 2023 Scheme as at 1 January 2025 and 30 June 2025 were 29,742,252 and 29,742,252 respectively.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules throughout the Period except for the following deviation:

- Under code provision C.2.1 of the CG Code, the roles of the Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. Mr. Cheng currently serves as both the Chairman and Chief Executive Officer of the Company. In view of the evolving business environment in which the Group operates, the Board is of the view that vesting the roles of both the Chairman and Chief Executive Officer of the Company on Mr. Cheng will provide the Group with strong and consistent leadership while enabling more effective and timely business planning and decision-making process.
- Pursuant to code provision B.2.4(b) of the CG Code, if all the independent non-executive directors of an issuer have served more than nine years on the board, the issuer should appoint a new independent non-executive director on the board at the forthcoming annual general meeting for the financial year commencing on or after 1 January 2023. During the period from 15 December 2023 to 19 June 2025, all independent non-executive Directors had served on the Board for more than nine years. Upon the appointment of Ms. Ma Yin Fan as an independent non-executive Director on 20 June 2025, the Company re-complied with code provision B.2.4(b) of the CG Code hereafter.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific inquiries with all Directors, it is confirmed that all Directors have complied with the required standards set out in the Model Code throughout the Period.

The Company has also adopted a code on no less exacting terms than the Model Code to regulate dealings in the securities of the Company by certain employees of the Group who are considered to be likely in possession of inside information in relation to the Company or its securities.

REVIEW OF INTERIM RESULTS

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Ms. Ma Yin Fan (the chairlady of Audit Committee), Mr. Shum Pui Kay and Mr. Wah Wang Kei Jackie. The Audit Committee has reviewed with management the accounting policies and practices adopted by the Group and has discussed the review, internal controls and financial reporting matters including the review of the interim results announcement and the interim report of the Group for the Period.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 HKD'000 (Unaudited)	2024 HKD'000 (Unaudited)
Revenue	4	148,229	150,324
Cost of sales		(7,562)	(9,822)
Gross profit		140,667	140,502
Other income and gains	5	35,724	25,009
Distribution and selling expenses		(29,726)	(26,774)
Administrative expenses		(69,427)	(64,767)
Depreciation and amortisation expenses		(41,611)	(46,453)
Finance costs	6	(39,687)	(48,945)
Other expenses		(270)	(53)
Reversal of impairment loss on financial assets		1,091	82
Share of results of joint ventures		(1,564)	(1,148)
Share of results of associates		(42)	9
Fair value loss on financial assets at fair value through profit or loss	16	(2,518)	(571)
Loss before income tax expense	7	(7,363)	(23,109)
Income tax expense	8	(5,387)	(3,572)
Loss for the period		(12,750)	(26,681)
(Loss)/profit for the period attributable to:			
– Owners of the Company		(13,322)	(28,372)
– Non-controlling interests		572	1,691
Loss for the period		(12,750)	(26,681)
Loss per share:			
Basic and diluted	10	HK(0.45) cent	HK(0.95) cent

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HKD'000 (Unaudited)	2024 HKD'000 (Unaudited)
Loss for the period	(12,750)	(26,681)
Other comprehensive income for the period, net of tax		
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of joint ventures	964	(985)
Share of other comprehensive income of an associate	3	19
Exchange differences arising on translation of foreign operations	57,612	(54,628)
	58,579	(55,594)
Other comprehensive income for the period, net of tax	58,579	(55,594)
Total comprehensive income for the period	45,829	(82,275)
Total comprehensive income for the period attributable to:		
– Owners of the Company	45,405	(83,537)
– Non-controlling interests	424	1,262
	45,829	(82,275)

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	30.06.2025 HKD'000 (Unaudited)	31.12.2024 HKD'000 (Audited)
Non-current assets			
Property, plant and equipment	11	1,827,169	1,808,309
Investment properties	11	618,851	624,385
Right-of-use assets	11	407,583	402,875
Intangible assets		108,814	109,583
Interests in joint ventures		32,696	33,296
Interests in associates		6,533	6,572
Goodwill		141,401	141,401
Deferred tax assets		11,804	12,760
Club debenture		1,876	1,876
Statutory deposits for financial services business		200	200
Total non-current assets		3,156,927	3,141,257
Current assets			
Inventories	12	35,248	35,176
Trade and other receivables	13	132,343	127,231
Amounts due from joint ventures		41,532	39,222
Amount due from an associate		–	652
Advances to customers in margin financing	14	123,657	126,610
Loans receivable	15	50,360	45,734
Financial assets at fair value through profit or loss	16	80,304	81,709
Bank balances and cash – held on behalf of customers		18,841	20,265
Bank balances and cash		65,838	77,239
		548,123	553,838
Assets classified as held for sale	17	735,414	720,866
Total current assets		1,283,537	1,274,704

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	30.06.2025 HKD'000 (Unaudited)	31.12.2024 HKD'000 (Audited)
Current liabilities			
Trade and other payables	18	349,199	349,459
Amount due to a related party		110	106
Amounts due to directors		58,365	56,555
Lease liabilities	19	17,946	21,526
Bank borrowings	20	570,721	704,534
Dividend payable		14,871	–
Tax payable		11,133	30,450
Total current liabilities		1,022,345	1,162,630
Net current assets		261,192	112,074
Total assets less current liabilities		3,418,119	3,253,331
Non-current liabilities			
Lease liabilities	19	153,815	166,578
Bank borrowings	20	580,481	435,870
Deferred tax liabilities		338,580	331,922
Total non-current liabilities		1,072,876	934,370
NET ASSETS		2,345,243	2,318,961
Equity			
Share capital	21	297,422	297,422
Reserves		2,037,440	2,015,594
Total equity attributable to owners of the Company		2,334,862	2,313,016
Non-controlling interests		10,381	5,945
TOTAL EQUITY		2,345,243	2,318,961

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the Company									
	Share capital HKD'000	Contributed surplus HKD'000	Share premium HKD'000	Properties revaluation reserve HKD'000	Translation reserve HKD'000	Other reserve HKD'000	Retained profits/ (accumulated losses) HKD'000	Subtotal HKD'000	Non-controlling interests HKD'000	Total HKD'000
Balance at 1 January 2024 (audited)	297,422	523,213	1,071,657	791,469	(163,007)	7,749	2,506	2,531,009	8,289	2,539,298
(Loss)/profit for the period	-	-	-	-	-	-	(28,372)	(28,372)	1,691	(26,681)
Share of other comprehensive income of joint ventures	-	-	-	-	(985)	-	-	(985)	-	(985)
Share of other comprehensive income of an associate	-	-	-	-	19	-	-	19	-	19
Exchange differences arising on translation of foreign operations	-	-	-	-	(54,199)	-	-	(54,199)	(429)	(54,628)
Other comprehensive income for the period, net of tax	-	-	-	-	(55,165)	-	-	(55,165)	(429)	(55,594)
Total comprehensive income for the period	-	-	-	-	(55,165)	-	(28,372)	(83,537)	1,262	(82,275)
Dividend declared (Note 9)	-	-	-	-	-	-	(14,871)	(14,871)	-	(14,871)
Balance at 30 June 2024 (unaudited)	297,422	523,213	1,071,657	791,469	(218,172)	7,749	(40,737)	2,432,601	9,551	2,442,152

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the Company							Non-controlling interests HKD'000	Total HKD'000
	Share capital HKD'000	Contributed surplus HKD'000	Share premium HKD'000	Properties revaluation reserve HKD'000	Translation reserve HKD'000	Other reserve HKD'000	Accumulated losses HKD'000	Subtotal HKD'000	
Balance at 1 January 2025 (audited)	297,422	523,213	1,071,657	809,035	(240,576)	7,749	(155,484)	2,313,016	2,318,961
(Loss)/profit for the period	-	-	-	-	-	-	(13,322)	(13,322)	(12,750)
Share of other comprehensive income of joint ventures	-	-	-	-	964	-	-	964	964
Share of other comprehensive income of an associate	-	-	-	-	3	-	-	3	3
Exchange differences arising on translation of foreign operations	-	-	-	-	57,760	-	-	57,760	57,612
Other comprehensive income for the period, net of tax	-	-	-	-	58,727	-	-	58,727	58,579
Total comprehensive income for the period	-	-	-	-	58,727	-	(13,322)	45,405	45,829
Acquisition of further interests in a subsidiary	-	-	-	-	-	(8,688)	-	(8,688)	(4,676)
Dividend declared (Note 9)	-	-	-	-	-	-	(14,871)	(14,871)	(14,871)
Balance at 30 June 2025 (unaudited)	297,422	523,213	1,071,657	809,035	(181,849)	(939)	(183,677)	2,334,862	2,345,243

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HKD'000 (Unaudited)	2024 HKD'000 (Unaudited)
Cash flows from operating activities		
Loss before income tax expense	(7,363)	(23,109)
Adjustments for:		
Interest income	(1,758)	(2,326)
Dividend income from financial assets at fair value through profit or loss	(296)	–
Finance costs	39,687	48,945
Share of results of joint ventures	1,564	1,148
Share of results of associates	42	(9)
Depreciation of property, plant and equipment	33,454	38,421
Depreciation of right-of-use assets	7,153	7,029
Amortisation of intangible assets	1,003	1,003
Write off of property, plant and equipment	5	29
Fair value loss on financial assets at fair value through profit or loss	2,518	571
Reversal of impairment loss on financial assets	(1,091)	(82)
Reversal of tax provisions	(19,249)	–
Provision of allowance of inventories	170	394
Operating cash flows before movements in working capital	55,839	72,014
Decrease in inventories	1,626	4,162
(Increase)/decrease in trade and other receivables	(4,494)	24,021
Decrease/(increase) in advances to customers in margin financing	2,953	(752)
(Increase)/decrease in loans receivable	(3,829)	12,845
Increase in financial assets at fair value through profit or loss	(1,113)	–
Decrease in bank balances and cash – held on behalf of customers	1,424	3,236
Decrease in trade and other payables	(14,370)	(36,417)
Cash generated from operations	38,036	79,109
Overseas tax paid	(4,595)	(3,104)
Hong Kong Profits Tax paid	–	(318)
Net cash from operating activities	33,441	75,687

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HKD'000 (Unaudited)	2024 HKD'000 (Unaudited)
Cash flows from investing activities		
Advance to a related party	–	(26,823)
Repayment from/(advance to) an associate	717	(748)
Purchases of property, plant and equipment	(769)	(591)
Purchases of intangible assets	(234)	–
Proceeds from disposals of property, plant and equipment	13	4
Dividend income from financial assets at fair value through profit or loss	296	–
Decrease in restricted bank deposits	–	1,890
Interest received	319	2,358
Net cash from/(used in) investing activities	342	(23,910)
Cash flows from financing activities		
Acquisition of further interests in a subsidiary	(4,676)	–
Proceeds from bank borrowings	178,653	20,000
Repayments of bank borrowings	(182,148)	(99,365)
Repayments to directors	(476)	(1,834)
Repayments of lease liabilities	(3,882)	(5,306)
Interest paid	(26,492)	(41,121)
Net cash used in financing activities	(39,021)	(127,626)
Net decrease in cash and cash equivalents	(5,238)	(75,849)
Cash and cash equivalents at the beginning of the period	77,239	132,594
Effect of foreign exchange rate changes on cash and cash equivalents	(6,163)	(944)
Cash and cash equivalents at the end of the period	65,838	55,801

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. GENERAL INFORMATION

Symphony Holdings Limited (the “**Company**”) was incorporated in Bermuda on 24 November 1993 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 1 March 1995. Its ultimate controlling party is Mr. Cheng Tun Nei, who is the chairman and a director of the Company. The addresses of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is 10th Floor, Island Place Tower, 510 King’s Road, North Point, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are mainly consisted of:

- Branding: (i) development and management of “SKINS” trademarks; (ii) sourcing, manufacturing and trading of healthcare products in Hong Kong; and (iii) distribution of Japanese wine;
- Retailing: (i) management and operation of outlet malls; and (ii) property investment and holding; and
- Financial services: provisions of securities brokerage, margin financing, money lending and financial consultancy services.

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

These interim condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements (the “**2024 Annual Financial Statements**”), except for those that relate to amendments to HKFRS Accounting Standards effective for the first time for the annual periods beginning on or after 1 January 2025 and expect to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 3 to the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements are presented in Hong Kong Dollars (“**HKD**”), unless otherwise stated. The interim condensed consolidated financial statements contain the condensed consolidated statement of financial position as at 30 June 2025, and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes to the interim condensed consolidated financial statements. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 Annual Financial Statements. The interim condensed consolidated financial statements and notes thereon do not include all of the information required for a complete set of financial statements prepared in accordance with the HKFRS Accounting Standards and should be read in conjunction with the 2024 Annual Financial Statements.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3. CHANGES IN ACCOUNTING POLICIES

(a) Adoption of amendments to HKFRS Accounting Standards – effective 1 January 2025

The Group has adopted the following amendments to HKFRS Accounting Standards, which included Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the HKICPA relevant to the Group's accounting policies and business operations adopted for the first time prepared and presented on the Group's interim condensed consolidated financial statements for the annual periods beginning on or after 1 January 2025:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current period has no material impact on the Group's performance and financial positions for the current and prior periods and/or on the disclosures set out in the interim condensed consolidated financial statements.

(b) New and amendments to HKFRS Accounting Standards that have been issued but are not yet effective

The following new and amendments to HKFRS Accounting Standards, potentially relevant to the Group's accounting policies and business operations, have been issued, but are not yet effective, and have not been early adopted by the Group:

HKFRS 18	Presentation and Disclosure in Financial Statements ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-Dependent Electricity ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
Amendments to HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment of Demand Clause ²

¹ Effective for the annual period beginning on or after 1 January 2026

² Effective for the annual period beginning on or after 1 January 2027

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

The Directors of the Company (the “**Directors**”) do not anticipate that the adoption of these new and amendments to HKFRS Accounting Standards that have been issued but not yet effective will have any material impact on the interim condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. SEGMENT INFORMATION

In accordance with the Group's internal financial reporting process to both Directors and key management personnel of the Company (collectively referred to as the "Chief Operating Decision Maker"), the Group's operating segments are broadly classified into different reportable segments based on the categories of products or services provided in different geographical locations with reference to the requirements under HKFRS 8 "Operating Segments" ("HKFRS 8").

The classification of reportable segments is determined by the Chief Operating Decision Maker to monitor the results individually for the purpose of making decisions of resources allocation and performance assessment of the reportable segments. Financial information of the reportable segments is disaggregated into segment revenue and results, segment assets and segment liabilities, which is regularly provided to the Chief Operating Decision Maker to serve the above purpose.

A summary of the reportable segments under HKFRS 8 is classified as follows:

- Branding: (i) development and management of "SKINS" trademarks; (ii) sourcing, manufacturing and trading of healthcare products in Hong Kong; and (iii) distribution of Japanese wine;
- Retailing: (i) management and operation of outlet malls; and (ii) property investment and holding; and
- Financial services: provisions of securities brokerage, margin financing, money lending and financial consultancy services.

(A) Segment revenue and results (business segments)

The following table provides an analysis of the reportable segment revenue and reportable segment (loss)/profit of different reportable segments recognised during the period:

For the six months ended 30 June 2025 (Unaudited)

	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	Inter- segment elimination HKD'000	Consolidated HKD'000
Revenue from external customers	20,166	119,793	8,270	–	148,229
Inter-segment revenue*	1	2,718	–	(2,719)	–
Reportable segment revenue	20,167	122,511	8,270	(2,719)	148,229
Reportable segment (loss)/profit	(2,503)	11,317	(1,863)	–	6,951
Reconciliation:					
Interest income					(1,758)
Central administrative expenses					(10,950)
Share of results of joint ventures					(1,564)
Share of results of associates					(42)
Loss before income tax expense					(7,363)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. SEGMENT INFORMATION *(Continued)*

(A) Segment revenue and results (business segments) *(Continued)*

For the six months ended 30 June 2024 (Unaudited)

	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	Inter- segment elimination HKD'000	Consolidated HKD'000
Revenue from external customers	23,234	118,174	8,916	–	150,324
Inter-segment revenue*	90	2,714	–	(2,804)	–
Reportable segment revenue	23,324	120,888	8,916	(2,804)	150,324
Reportable segment (loss)/profit	(785)	13,395	(437)	–	12,173
Reconciliation:					
Interest income					2,326
Central administrative expenses					(36,469)
Share of results of joint ventures					(1,148)
Share of results of associates					9
Loss before income tax expense					(23,109)

* Inter-segment revenue transactions are priced with reference to prices charged to external parties for similar orders based on similar terms and conditions of sales agreements entered.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. SEGMENT INFORMATION *(Continued)*

(B) Segment revenue and results (disaggregation of revenue)

The following table provides an analysis of the reportable segment revenue recognised during the period is disaggregated by primary geographical markets, major products and services lines and timing of revenue recognition. The following table also includes a reconciliation of disaggregated revenue of different reportable segments recognised during the period, mainly into two categories: (i) revenue from contracts with customers within the scope of HKFRS 15 "Revenue from Contracts with Customers" ("HKFRS 15"); and (ii) revenue from other sources not within the scope of HKFRS 15:

For the six months ended 30 June 2025 (Unaudited)

Revenue from contracts with customers within the scope of HKFRS 15

	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	Consolidated HKD'000
Primary geographical markets:				
The People's Republic of China (the "PRC")	495	94,825	–	95,320
Hong Kong (Place of domicile)	9,845	–	2,674	12,519
United States of America	1,806	–	–	1,806
Other Asian countries (<i>Note</i>)	2,740	–	–	2,740
Others (<i>Note</i>)	5,280	–	–	5,280
Total	20,166	94,825	2,674	117,665
Major products and services:				
Sales of goods	18,561	–	–	18,561
Commission income from concessionaire sales	–	94,468	–	94,468
Royalty income	1,605	–	–	1,605
Securities brokerage commission	–	–	706	706
Financial consultancy income	–	–	1,968	1,968
Other services income	–	357	–	357
Total	20,166	94,825	2,674	117,665

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. SEGMENT INFORMATION *(Continued)*

(B) Segment revenue and results (disaggregation of revenue) *(Continued)*

For the six months ended 30 June 2025 (Unaudited) *(Continued)*

Revenue from contracts with customers within the scope of HKFRS 15 *(Continued)*

	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	Consolidated HKD'000
Timing of revenue recognition:				
At a point in time	18,561	–	706	19,267
Transferred over time	1,605	94,825	1,968	98,398
Total	20,166	94,825	2,674	117,665

Revenue from other sources not within the scope of HKFRS 15

	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	Consolidated HKD'000
Primary geographical markets:				
The PRC	–	24,968	–	24,968
Hong Kong (Place of domicile)	–	–	5,596	5,596
Total	–	24,968	5,596	30,564
Major products and services:				
Rental income	–	24,968	–	24,968
Interest income	–	–	5,596	5,596
Total	–	24,968	5,596	30,564

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. SEGMENT INFORMATION *(Continued)*

(B) Segment revenue and results (disaggregation of revenue) *(Continued)*

For the six months ended 30 June 2024 (Unaudited)

Revenue from contracts with customers within the scope of HKFRS 15

	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	Consolidated HKD'000
Primary geographical markets:				
The PRC	1,612	89,564	–	91,176
Hong Kong (Place of domicile)	10,726	13	3,256	13,995
United States of America	2,224	–	–	2,224
Other Asian countries <i>(Note)</i>	2,884	–	–	2,884
Others <i>(Note)</i>	5,788	–	–	5,788
Total	23,234	89,577	3,256	116,067
Major products and services:				
Sales of goods	20,958	–	–	20,958
Commission income from concessionaire sales	–	89,249	–	89,249
Royalty income	2,270	–	–	2,270
Securities brokerage commission	–	–	434	434
Financial consultancy income	–	–	2,822	2,822
Other services income	6	328	–	334
Total	23,234	89,577	3,256	116,067

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. SEGMENT INFORMATION *(Continued)*

(B) Segment revenue and results (disaggregation of revenue) *(Continued)*

For the six months ended 30 June 2024 (Unaudited) *(Continued)*

Revenue from contracts with customers within the scope of HKFRS 15 *(Continued)*

	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	Consolidated HKD'000
Timing of revenue recognition:				
At a point in time	20,958	–	434	21,392
Transferred over time	2,276	89,577	2,822	94,675
Total	23,234	89,577	3,256	116,067

Revenue from other sources not within the scope of HKFRS 15

	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	Consolidated HKD'000
Primary geographical markets:				
The PRC	–	24,981	–	24,981
Hong Kong (Place of domicile)	–	3,616	5,660	9,276
Total	–	28,597	5,660	34,257
Major products and services:				
Rental income	–	28,597	–	28,597
Interest income	–	–	5,660	5,660
Total	–	28,597	5,660	34,257

Note: The geographical information for the revenue attributed to each country recognised during the period is not available as the associated costs to capture such information would be excessive.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. SEGMENT INFORMATION *(Continued)*

(C) Segment assets

The following table provides an analysis of the reportable segment assets of different reportable segments recognised as at 30 June 2025 and 31 December 2024:

	30.06.2025 HKD'000 (Unaudited)	31.12.2024 HKD'000 (Audited)
Branding	243,511	241,604
Retailing	2,977,017	2,956,000
Financial services	324,243	325,874
Total reportable segment assets	3,544,771	3,523,478
Unallocated	160,279	171,617
Assets classified as held for sale	735,414	720,866
Consolidated total assets	4,440,464	4,415,961

(D) Segment liabilities

The following table provides an analysis of the reportable segment liabilities of different reportable segments recognised as at 30 June 2025 and 31 December 2024:

	30.06.2025 HKD'000 (Unaudited)	31.12.2024 HKD'000 (Audited)
Branding	43,008	43,595
Retailing	452,212	472,271
Financial services	25,731	21,688
Total reportable segment liabilities	520,951	537,554
Unallocated	1,574,270	1,559,446
Consolidated total liabilities	2,095,221	2,097,000

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

5. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2025 HKD'000 (Unaudited)	2024 HKD'000 (Unaudited)
Foreign exchange gain	–	1,331
Interest income	1,758	2,326
Dividend income from financial assets at fair value through profit or loss	296	–
Government grants	4,130	11,810
Reimbursement income of operating outlet malls	8,059	7,531
Reversal of tax provisions	19,249	–
Others	2,232	2,011
	35,724	25,009

6. FINANCE COSTS

An analysis of finance costs recognised during the period is as follows:

	Six months ended 30 June	
	2025 HKD'000 (Unaudited)	2024 HKD'000 (Unaudited)
Interest expenses on bank borrowings	32,222	41,546
Interest expenses on lease liabilities	6,098	6,323
Interest expenses on amounts due to directors	1,367	1,076
	39,687	48,945

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

7. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense during the period is arrived at after charging/(crediting) as follows:

	Six months ended 30 June	
	2025 HKD'000 (Unaudited)	2024 HKD'000 (Unaudited)
Depreciation of property, plant and equipment	33,454	38,421
Depreciation of right-of-use assets	7,153	7,029
Amortisation of intangible assets	1,003	1,003
Provision of allowance of inventories	170	394
Written off of property, plant and equipment	5	29
Cost of inventories recognised as expenses	7,562	9,822
Foreign exchange loss/(gain)	2,223	(1,331)
Short-term leases expenses	647	1,325
Directors' emoluments	3,815	3,300
Employees' costs (excluding Directors' emoluments)	27,149	29,272
Interest income	(1,758)	(2,326)
Fair value loss on financial assets at fair value through profit or loss	2,518	571
Reimbursement income of operating outlet malls	(8,059)	(7,531)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

8. INCOME TAX EXPENSE

	2025 HKD'000 (Unaudited)	2024 HKD'000 (Unaudited)
Current tax:		
Hong Kong		
– Profits Tax		
– Provision for the period	201	176
– (Over)/under provision in respect of prior periods	(119)	40
	82	216
The PRC and other jurisdictions		
– PRC Enterprise Income Tax		
– Provision for the period	4,471	2,609
– Under provision in respect of prior periods	–	112
	4,471	2,721
Foreign tax:		
– Provision for the period	–	18
– Over provision in respect of prior periods	(30)	–
	(30)	18
Deferred tax:		
Hong Kong and the PRC		
– Profits Tax and PRC Enterprise Income Tax		
– Provision for the period	864	617
Income tax expense	5,387	3,572

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

8. INCOME TAX EXPENSE *(Continued)*

Hong Kong Profits Tax

The provision for Hong Kong Profits Tax was calculated by applying the statutory tax rate of 16.5% on the estimated taxable profits arising in Hong Kong for both current and prior periods. According to the definition of “connected entity” under the Two-tiered Profit Tax Regime, the management has elected one of the Company’s subsidiaries to apply for the two-tiered profits tax rates to calculate the provision for Hong Kong Profits Tax for both current and prior periods in the following manner.

For this elected subsidiary, the first HKD2,000,000 of the estimated taxable profits arising in Hong Kong was taxed at 8.25% and the remaining estimated taxable profits was taxed at 16.5%. The provision for Hong Kong Profits Tax for this elected subsidiary was calculated on the same basis for the prior period.

PRC Enterprise Income Tax

All of the group entities operating in the PRC were calculated by applying the statutory tax rate of 25% on the estimated taxable profits arising in the PRC for both current and prior periods, except for one of the Company’s subsidiaries incorporated in Hong Kong engaged in the property investment business in the PRC, which is subject to the withholding tax rate of 10% on its gross rental income, net of value-added tax, earned in the PRC for both current and prior periods, based on the existing tax legislation, interpretation and practices in respect thereof.

Up to date of approval and authorisation for issuance of these interim condensed consolidated financial statements, the above subsidiary engaged in the property investment business in the PRC has not filed any tax returns for reporting its PRC Enterprise Income Tax in respect of its rental income earned in the PRC. The PRC tax authority has the right to levy penalty for any late filing of tax returns. The amount of such potential penalty cannot be reliably estimated as the range of which is wide. However, for all newly signed tenancy agreements between the Group and the tenants since the financial period of 2016, a new clause has been added in the agreements to require the tenants to pay the PRC Enterprise Income Tax based on 10% of its gross rental income, net of value-added tax, earned in the PRC on behalf of the Group, based on the existing tax legislation, interpretation and practices in respect thereof. According to the management experience and the above measures adopted, the amount of such potential penalty, if any, will not be material to these interim condensed consolidated financial statements. In addition, pursuant to the signed sales and purchase agreement in respect of the acquisition of the above subsidiary in the second half of the financial year of 2014, both of the vendor and the guarantor have undertaken to indemnify the Group for any tax liability arising from the late filing of tax returns prior to the completion date of the acquisition.

Foreign tax

Taxation arising in other jurisdictions was calculated by applying the statutory tax rates that were expected to be applicable in the relevant jurisdictions, where those overseas subsidiaries operate, on the estimated taxable profits for both current and prior periods.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

9. DIVIDENDS

For the six months ended 30 June 2025 and 2024, the board of directors has resolved not to declare any interim dividend to the shareholders of the Company (the “Shareholders”).

The final dividend of HKD0.005 (six months ended 30 June 2024: HKD0.005) per ordinary share of the Company in respect of the financial year ended 31 December 2024 (six months ended 30 June 2024: 31 December 2023), in total of approximately HKD14,871,000 (six months ended 30 June 2024: HKD14,871,000), was declared and approved by the Shareholders at the annual general meeting of the Company held on 20 June 2025 (six months ended 30 June 2024: 28 June 2024) and will subsequently be paid in September 2025 (six months ended 30 June 2024: September 2024).

10. LOSS PER SHARE

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

	Six months ended 30 June	
	2025 HKD'000 (Unaudited)	2024 HKD'000 (Unaudited)
Loss:		
Loss for the period attributable to owners of the Company	(13,322)	(28,372)
	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating the basic and diluted loss per share ('000)	2,974,225	2,974,225
	HK cent	HK cent
Loss per share:		
Basic and diluted	(0.45)	(0.95)

The Company did not have any dilutive potential ordinary shares for the six months ended 30 June 2025 and 2024. Accordingly, the diluted loss per share are the same as the basic loss per share.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

11. PROPERTY, PLANT AND EQUIPMENT/INVESTMENT PROPERTIES/RIGHT-OF-USE ASSETS

Property, plant and equipment

The Group acquired property, plant and equipment with a total cost of approximately HKD3,059,000 during the period (six months ended 30 June 2024: HKD591,000).

The property, plant and equipment, with a net book value of approximately HKD5,000 (six months ended 30 June 2024: HKD29,000), was written off during the period.

As at 30 June 2025, certain of the properties located in Hong Kong and the PRC, with carrying amounts of approximately HKD1,730,436,000 (31 December 2024: HKD1,715,900,000), were pledged to banks to secure banking facilities granted to the Group.

Investment properties

As at 30 June 2025, certain of the properties (including investment properties classified as held for sale) located in Hong Kong and the PRC, with carrying amounts of approximately HKD1,226,938,000 (31 December 2024: HKD1,198,631,000), were pledged to banks to secure banking facilities granted to the Group.

Right-of-use assets

For the six months ended 30 June 2025, no significant tenancy agreement was entered, modified or cancelled by the Group. The depreciation of right-of-use assets recognised during the period was approximately HKD7,153,000 (six months ended 30 June 2024: HKD7,029,000).

As at 30 June 2025, certain of the right-of-use assets, with carrying amounts of approximately HKD406,367,000 (31 December 2024: HKD401,253,000), were pledged to banks to secure banking facilities granted to the Group.

12. INVENTORIES

For the six months ended 30 June 2025, a net provision of allowance of inventories of approximately HKD170,000 (six months ended 30 June 2024: HKD394,000) was recognised in profit or loss during the period.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

13. TRADE AND OTHER RECEIVABLES

	30.06.2025 HKD'000 (Unaudited)	31.12.2024 HKD'000 (Audited)
Trade receivables arising from:		
– Other than financial services segment	19,621	24,728
– Financial services segment	8,130	6,696
Total gross carrying amount	27,751	31,424
Less: Loss allowance	(5,179)	(5,611)
Total net carrying amount after loss allowance	22,572	25,813
Prepayments, deposits and other receivables:		
Total gross carrying amount	119,217	110,677
Less: Loss allowance	(9,446)	(9,259)
Total net carrying amount after loss allowance	109,771	101,418
Total trade and other receivables	132,343	127,231

Note: As at 30 June 2025, other receivables consist of consideration receivables of approximately HKD34,900,000 (31 December 2024: HKD34,524,000) in relation to the disposal of intangible assets in prior years.

The following is an ageing analysis of trade receivables, net of loss allowance, which is presented based on the invoice date or transaction date, where applicable, at the end of reporting period:

	30.06.2025 HKD'000 (Unaudited)	31.12.2024 HKD'000 (Audited)
0 to 30 days	11,819	15,218
31 to 60 days	1,986	1,045
61 to 90 days	586	631
Over 90 days	8,181	8,919
	22,572	25,813

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

14. ADVANCES TO CUSTOMERS IN MARGIN FINANCING

	30.06.2025 HKD'000 (Unaudited)	31.12.2024 HKD'000 (Audited)
Directors and their associates	26,793	26,033
Other margin clients	96,864	100,577
	123,657	126,610

As at 30 June 2025 and 31 December 2024, the carrying amount of advances to customers in margin financing arising from the margin financing business in Hong Kong was secured by listed equity securities, carried at average interest rates from Hong Kong Dollar Prime Rate ("**Prime Rate**") to Prime Rate plus 3% per annum and repayable on demand.

The amounts of credit facilities granted to the margin clients are determined by the discounted market value of listed equity securities accepted by the Group. The Group maintains a list of approved stocks for margin lending at certain specified loan-to-collateral ratios. Any excess in the ratios will trigger margin calls for the margin clients to settle the margin shortfalls.

As at 30 June 2025, the total undiscounted market value of listed equity securities pledged in respect of the margin lending to the margin clients was approximately HKD440,738,000 (31 December 2024: HKD384,261,000). According to the client account opening agreements signed between the Group and margin clients, the Group is allowed to dispose of the listed equity securities pledged by the margin clients to settle their outstanding loan balances due to the Group.

Based on the result of the ECL calculation, with reference to the discounted market value of listed equity securities, no provision of loss allowance was recognised for current period and prior year given that no significant default events of failure to repay the margin calls from any margin clients and the discounted market value of listed equity securities pledged were sufficiently covered the outstanding loan balances as at 30 June 2025 and 31 December 2024.

No ageing analysis is disclosed for advances to customers in margin financing as, in the opinion of the Directors, an ageing analysis is not meaningful in the view of the business nature of margin financing. The maximum exposure of credit risk against the Group is the carrying amount at the end of reporting period.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

15. LOANS RECEIVABLE

	30.06.2025 HKD'000 (Unaudited)	31.12.2024 HKD'000 (Audited)
Secured:		
Total gross carrying amount	55,016	51,187
Less: Loss allowance	(4,656)	(5,453)
	50,360	45,734

As at 30 June 2025 and 31 December 2024, the carrying amount of loans receivable arising from the money lending business in Hong Kong was secured by mortgages over the borrowers' properties and listed equity securities in Hong Kong, carried at interest rates from 5% to 18% (31 December 2024: 5% to 18%) per annum and repayable within one year from the dates of advances to the borrowers or on demand.

Loans receivable with aggregate gross carrying amount of approximately HKD12,425,000 (31 December 2024: HKD7,675,000) was classified as stage 1 due to limited exposure of credit risk and there is no significant increase in credit risk since initial recognition and not credit-impaired at the end of reporting period. Therefore, no provision of loss allowance, which was limited to 12-month ECL calculation, was recognised in profit or loss for both current and prior periods.

Loans receivable with aggregate gross carrying amount of approximately HKD42,561,000 (31 December 2024: HKD43,512,000) was classified as stage 3 due to significant increase in credit risk since initial recognition and credit-impaired at the end of reporting period. A reversal of loss allowance that subject to the lifetime ECL calculation of HKD797,000 (six months ended 30 June 2024: HKD nil) was recognised in profit or loss for current period.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at fair value through profit or loss represent investments in listed equity securities in Hong Kong classified as held for trading, listed investments in the PRC and an unlisted investment. Details of the fair value measurements of these assets are set out in Note 25 to the interim condensed consolidated financial statements.

Reconciliation of the opening and closing balance of financial assets at fair value through profit or loss is provided as follows:

	Six months ended 30 June	
	2025 HKD'000 (Unaudited)	2024 HKD'000 (Unaudited)
At the beginning of the period	81,709	103,022
Additions	1,113	–
Fair value loss	(2,518)	(571)
At the end of the period	80,304	102,451

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

17. ASSETS CLASSIFIED AS HELD FOR SALE

	30.06.2025 HKD'000 (Unaudited)	31.12.2024 HKD'000 (Audited)
Investment properties		
– Hong Kong (<i>Note (i)</i>)	231,000	231,000
– Beijing (<i>Note (ii)</i>)	504,414	489,866
	735,414	720,866

Notes:

- (i) As at 30 June 2025, the Group had committed a plan of disposal of an investment property in Hong Kong. As at 30 June 2025, the carrying value of the investment property was HKD231,000,000 (31 December 2024: HKD231,000,000). The Group had actively solicited but yet received reasonable offer. In response, the Group further reduced the price so that the investment property continued to be actively marketed at a price that was reasonable. As at 30 June 2025, the sales of the property was not yet completed and as a result, it remained presented as assets classified as held for sale in the interim condensed consolidated financial statements.
- (ii) As at 30 June 2025, the Group had committed another plan of disposal of the investment property in Beijing with carrying value of HKD504,414,000 (31 December 2024: HKD489,866,000). The Group had actively solicited but yet received reasonable offer. In response, the Group further reduced the price so that the investment property continued to be actively marketed at a price that was reasonable. As at 30 June 2025, the sales of the property was not yet completed and as a result, it remained presented as assets classified as held for sale in the interim condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

18. TRADE AND OTHER PAYABLES

	30.06.2025 HKD'000 (Unaudited)	31.12.2024 HKD'000 (Audited)
Trade payables arising from:		
– Other than financial services segment	168,616	172,419
– Financial services segment	23,928	20,224
Total trade payables	192,544	192,643
Accruals, receipts in advance, temporary receipts and other payables	156,655	156,816
Total trade and other payables	349,199	349,459

The following is an ageing analysis of trade payables arising from other than financial services segment, which is presented based on the invoice date or transaction date, where applicable, at the end of reporting period:

	30.06.2025 HKD'000 (Unaudited)	31.12.2024 HKD'000 (Audited)
0 to 30 days	135,715	136,600
31 to 60 days	24,847	31,792
61 to 90 days	7,591	3,310
Over 90 days	463	717
	168,616	172,419

No ageing analysis is disclosed for the trade payables arising from financial services segment as, in the opinion of the Directors, an ageing analysis is not meaningful in the view of the business nature of dealing in securities and margin financing.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

19. LEASE LIABILITIES

For the six months ended 30 June 2025, the total cash outflows for leases was approximately HKD4,529,000 (six months ended 30 June 2024: HKD6,631,000), comprising the payments of principal and interest elements of lease liabilities of approximately HKD3,882,000 (six months ended 30 June 2024: HKD5,306,000) and the payments of short-term leases of approximately HKD647,000 (six months ended 30 June 2024: HKD1,325,000).

For the six months ended 30 June 2025, interest expenses on lease liabilities were approximately HKD6,098,000 (six months ended 30 June 2024: HKD6,323,000).

20. BANK BORROWINGS

	30.06.2025 HKD'000 (Unaudited)	31.12.2024 HKD'000 (Audited)
Current portion:		
Secured with variable interest-rate bank borrowings that are repayable:		
– within one year	570,721	704,534
Non-current portion:		
Secured with variable interest-rate bank borrowings that are repayable:		
– over one year but within two years	244,738	250,115
– over two years but within five years	161,761	148,770
– over five years	173,982	36,985
	580,481	435,870
Total bank borrowings	1,151,202	1,140,404

As at 30 June 2025, the Group had secured variable interest-rate bank borrowings, carried interest rates from approximately 1.79% to 6.81% (six months ended 30 June 2024: 1.92% to 7.83%) per annum. The weighted average effective interest rate charged during the period was approximately 3.47% (six months ended 30 June 2024: 6.21%) per annum.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

21. SHARE CAPITAL

	Number of shares (‘000)	Nominal value HKD’000
Authorised:		
Ordinary shares of HKD0.10 (31 December 2024: HKD0.10) each:		
At 1 January 2024 (audited) and 31 December 2024 (audited), and		
1 January 2025 (audited) and 30 June 2025 (unaudited)	20,000,000	2,000,000
Issued and fully paid: (Note)		
Ordinary shares of HKD0.10 (31 December 2024: HKD0.10) each:		
At 1 January 2024 (audited) and 31 December 2024 (audited), and		
1 January 2025 (audited) and 30 June 2025 (unaudited)	2,974,225	297,422

Note: All of the ordinary shares issued by the Company and credited as fully paid ranked pari passu with the issued ordinary shares of the Company in all respects, except for those not entitled to any distribution of dividend.

22. CAPITAL COMMITMENTS

As at 30 June 2025 and 31 December 2024, the Group had the following material contractual capital commitments not provided for in the interim condensed consolidated financial statements:

	30.06.2025 HKD’000 (Unaudited)	31.12.2024 HKD’000 (Audited)
Contracted but not provided:		
– Construction costs of outlet mall buildings located in Shenyang, the PRC	6,105	8,113

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

23. RELATED PARTY DISCLOSURES

(A) Related party transactions

During the period, the Group entered into the following transactions with the related parties:

(a) Mr. Cheng Tun Nei and his associates:

	Six months ended 30 June	
	2025 HKD'000 (Unaudited)	2024 HKD'000 (Unaudited)
Commission income from securities brokerage	11	9
Interest income from margin financing	599	323
Motor vehicle expenses	39	39
Total amount of margin financing facilities granted	17,000	17,000
Maximum outstanding balance of margin loans issued	14,730	16,596

(b) Mr. Lee Cheung Ming:

	Six months ended 30 June	
	2025 HKD'000 (Unaudited)	2024 HKD'000 (Unaudited)
Interest income from margin financing	503	473
Total amount of margin financing facilities granted	15,000	15,000
Maximum outstanding balance of margin loans issued	12,063	11,285

(c) Other related parties:

	Six months ended 30 June	
	2025 HKD'000 (Unaudited)	2024 HKD'000 (Unaudited)
Interest income from a joint venture	810	815
Purchase of goods from an associate	—	(199)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

23. RELATED PARTY DISCLOSURES *(Continued)*

(B) Key management personnel's emoluments

The compensation of key management personnel including the emoluments paid or payable to the Directors and the members of senior management of the Group during the period are as follows:

	Six months ended 30 June	
	2025 HKD'000 (Unaudited)	2024 HKD'000 (Unaudited)
Salaries, welfare and other expenses	9,993	6,072
Contributions to defined contribution retirement plans	110	102
	10,103	6,174

24. CONTINGENT ASSETS AND LIABILITIES

Except for the potential tax liabilities with respect to the potential tax penalty arising from the late filing of the PRC tax returns for reporting the PRC Enterprise Income Tax to the PRC tax authority as disclosed in Note 8 to the interim condensed consolidated financial statements, the Group had no other contingent assets or liabilities required to be recognised or disclosed in the interim condensed consolidated financial statements as at 30 June 2025 and 31 December 2024.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

25. FINANCIAL INSTRUMENTS

(A) Categories of financial instruments

The following table shows the carrying amounts and fair values of the financial instruments, comprised of the financial assets and financial liabilities, as at 30 June 2025 and 31 December 2024:

	30.06.2025 (Unaudited)		31.12.2024 (Audited)	
	Carrying amount HKD'000	Fair value HKD'000	Carrying amount HKD'000	Fair value HKD'000
Financial assets:				
At fair value through profit or loss:				
– Listed equity securities in Hong Kong	10,184	10,184	12,602	12,602
– Listed investment in the PRC	1,113	1,113	–	–
– Unlisted investment	69,007	69,007	69,107	69,107
At amortised cost:				
– Trade and other receivables	116,605	(Note)	114,697	(Note)
– Amounts due from joint ventures	41,532	(Note)	39,222	(Note)
– Amount due from an associate	–	(Note)	652	(Note)
– Advances to customers in margin financing	123,657	(Note)	126,610	(Note)
– Loans receivable	50,360	(Note)	45,734	(Note)
– Bank balances and cash	84,679	(Note)	97,504	(Note)
Financial liabilities:				
At amortised cost:				
– Trade and other payables	342,726	(Note)	344,167	(Note)
– Amount due to a related party	110	(Note)	106	(Note)
– Amounts due to directors	58,365	(Note)	56,555	(Note)
– Dividend payable	14,871	(Note)	–	(Note)
– Bank borrowings	1,151,202	(Note)	1,140,404	(Note)
Financial instrument:				
– Lease liabilities	171,761	(Note)	188,104	(Note)

Note: The Directors consider the carrying amounts of the financial instruments measured at amortised cost were approximate to their fair values on the grounds that either of their maturity periods are short or their effective interest rates for interest-bearing financial instruments were approximate to the relevant discount rates used to reflect the credit risk of the borrowers or the Group as at 30 June 2025 and 31 December 2024.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

25. FINANCIAL INSTRUMENTS *(Continued)*

(B) Fair value measurements

The following table presents the fair value of the Group's financial instruments measured at the end of reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 "Fair Value Measurement". The level into which a fair value measurement is classified and determined with reference to the observability and significance of the key inputs used in the respective valuation techniques by the Group as follows:

- Level 1 valuation: Fair value measured using only Level 1 key inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuation: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuation: Fair value measured using significant unobservable inputs.

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period when they occur.

The Group's management is responsible for performing the fair value measurements of financial instruments, mainly including the listed equity securities in Hong Kong, listed investment in the PRC and the unlisted investment at the end of each reporting period. The Group's management reports directly to the Directors. Detailed calculations with analysis of changes in fair value measurements is prepared by the Group's management, and is reviewed and approved by the Directors. Discussion of valuation process and results with the Directors is regularly performed to coincide with the reporting dates.

The following table provides an analysis of financial instruments measured at fair value:

	30.06.2025 HKD'000 (Unaudited)	31.12.2024 HKD'000 (Audited)
Level 1:		
– Listed equity securities in Hong Kong	10,184	12,602
– Listed investment in the PRC	1,113	–
Level 3:		
– Unlisted investment	69,007	69,107

For the six months ended 30 June 2025 and 2024, there was no significant change in the valuation technique, and no transfer between Level 1 and Level 2, or transfer into or out of Level 3. The Group's policy is to recognise such change in valuation technique and transfer between levels of fair value hierarchy when it occurs.

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For the six months ended 30 June 2025

25. FINANCIAL INSTRUMENTS *(Continued)*

(B) Fair value measurements *(Continued)*

Information about Level 1 fair value measurements

For the listed equity securities in Hong Kong and listed investment in the PRC classified as Level 1, the Group's management uses the closing market prices of the identical securities as at 30 June 2025 and 31 December 2024 to perform the fair value measurement.

Information about Level 3 fair value measurements

In April 2018, the Group entered into an agreement with a third party investor for the purpose of forming two special purpose acquisition companies (the "SPAC 1" and "SPAC 2") by raising sizeable capital to acquire potential business targets through listing on NASDAQ. Up to date of approval and authorisation for issuance of these interim condensed consolidated financial statements, the SPAC 2 has not yet launched.

The fair value of the investment was previously determined by adjusting the closing market price with certain significant unobservable inputs, including risk-free rate and discount of lack of marketability ("DLOM") before the completion of the lock-up period. The fair value was negatively correlated to both risk-free rate and DLOM. After the lock-up period, the risk-free rate and DLOM inputs no longer exist. As at 30 June 2025 and 2024, the probability of default of this investment is considered to be minimal. The Group's management is estimated that with other variables held constant, an increase in probability of default in 5% would have decreased the fair value of investment by approximately HKD3,450,000 for the period ended 30 June 2025 (30 June 2024: decrease in fair value of approximately HKD3,578,000).

The reconciliation of the opening and closing balance of financial instruments classified as Level 3 is as follows:

	Six months ended 30 June	
	2025 HKD'000 (Unaudited)	2024 HKD'000 (Unaudited)
Unlisted investment:		
At the beginning of the period	69,107	71,096
Fair value (loss)/gain	(100)	456
At the end of the period	69,007	71,552

26. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 29 August 2025.