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SYMPHONY
SYMPHONY HOLDINGS LIMITED

新豐集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 01223)

ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

FINANCIAL HIGHLIGHTS

- The Group’s overall revenue increased from approximately HKD307.6 million for the Comparable Year to approximately HKD308.8 million for the Year.
 - The retailing segment revenue increased from approximately HKD236.6 million for the Comparable Year to approximately HKD241.5 million for the Year.
- The earnings before interest, taxes, depreciation and amortisation was approximately HKD120.3 million for the Year, an increase from approximately HKD45.6 million for the Comparable Year.
- Loss for the year attributable to owners of the Company reduced by approximately 77.0% to approximately HKD32.9 million (2024: approximately HKD143.1 million).
- The Board recommended the payment of a final dividend of HKD0.005 (2024: HKD0.005) per ordinary share for the Year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	NOTES	2025 HKD'000	2024 HKD'000
Revenue	5	308,750	307,561
Cost of sales		<u>(23,270)</u>	<u>(26,330)</u>
Gross profit		285,480	281,231
Other income and gains	8(a)	51,659	37,939
Distribution and selling expenses		(61,396)	(61,062)
Administrative expenses		(138,766)	(133,796)
Depreciation and amortisation expenses		(86,835)	(92,477)
Finance costs	6	(64,300)	(94,188)
Other expenses		(3,995)	(1,101)
Provision of impairment loss on financial assets		(531)	(9,172)
Decrease in fair value of investment properties		(31,921)	(34,905)
Share of results of joint ventures		(15,092)	(10,031)
Share of results of associates		(41)	185
Fair value gain/(loss) on financial assets at fair value through profit or loss		<u>34,866</u>	<u>(23,648)</u>
Loss before income tax expense	8	(30,872)	(141,025)
Income tax expense	7	<u>(4,857)</u>	<u>(4,083)</u>
Loss for the year		<u>(35,729)</u>	<u>(145,108)</u>
Loss for the year attributable to:			
– Owners of the Company		(32,945)	(143,119)
– Non-controlling interests		<u>(2,784)</u>	<u>(1,989)</u>
Loss for the year		<u>(35,729)</u>	<u>(145,108)</u>
Loss per share:			
– Basic loss per share	10	<u>HK(1.11) cents</u>	<u>HK(4.81) cents</u>
– Diluted loss per share	10	<u>HK(1.11) cents</u>	<u>HK(4.81) cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>NOTE</i>	2025 HKD'000	2024 <i>HKD'000</i>
Loss for the year	8(b)	<u>(35,729)</u>	<u>(145,108)</u>
Other comprehensive income for the year, net of tax			
Items that will not be reclassified to profit or loss:			
Fair value changes arising on revaluation of properties		22,742	23,916
Deferred tax charge arising on revaluation of properties		<u>(6,838)</u>	<u>(6,350)</u>
		<u>15,904</u>	<u>17,566</u>
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of a joint venture		1,301	(1,286)
Share of other comprehensive income of an associate		4	8
Exchange differences arising on translation of foreign operations		<u>81,451</u>	<u>(76,646)</u>
		<u>82,756</u>	<u>(77,924)</u>
Other comprehensive income for the year, net of tax		<u>98,660</u>	<u>(60,358)</u>
Total comprehensive income for the year		<u>62,931</u>	<u>(205,466)</u>
Total comprehensive income for the year attributable to:			
– Owners of the Company		65,808	(203,122)
– Non-controlling interests		<u>(2,877)</u>	<u>(2,344)</u>
		<u>62,931</u>	<u>(205,466)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		2025	2024
	NOTES	HKD'000	HKD'000
Non-current assets			
Property, plant and equipment	11	1,815,025	1,808,309
Investment properties	11	633,451	624,385
Right-of-use assets		406,494	402,875
Intangible assets		107,818	109,583
Interests in joint ventures		19,505	33,296
Interests in associates		6,535	6,572
Goodwill		141,401	141,401
Deferred tax assets		16,187	12,760
Club debenture		1,876	1,876
Statutory deposits for financial services business		200	200
		<hr/>	<hr/>
Total non-current assets		3,148,492	3,141,257
Current assets			
Inventories	12	30,939	35,176
Trade and other receivables	13	123,887	127,231
Amount due from a related party		102	–
Amount due from a director		3,113	–
Amounts due from joint ventures		43,589	39,222
Amount due from an associate		803	652
Advances to customers in margin financing	14	79,727	126,610
Loans receivable	15	53,496	45,734
Financial assets at fair value through profit or loss		119,202	81,709
Bank balances and cash			
– held on behalf of customers		117,598	20,265
Bank balances and cash		85,596	77,239
		<hr/>	<hr/>
		658,052	553,838
Assets classified as held for sale		715,026	720,866
		<hr/>	<hr/>
Total current assets		1,373,078	1,274,704

	<i>NOTE</i>	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Current liabilities			
Trade and other payables	16	462,292	349,459
Amount due to a related party		–	106
Amounts due to directors		6,797	56,555
Lease liabilities		12,746	21,526
Bank borrowings		734,824	704,534
Tax payable		11,104	30,450
		<hr/>	<hr/>
Total current liabilities		1,227,763	1,162,630
		<hr/>	<hr/>
Net current assets		145,315	112,074
		<hr/>	<hr/>
Total assets less current liabilities		3,293,807	3,253,331
		<hr/>	<hr/>
Non-current liabilities			
Lease liabilities		157,346	166,578
Bank borrowings		425,321	435,870
Deferred tax liabilities		348,795	331,922
		<hr/>	<hr/>
Total non-current liabilities		931,462	934,370
		<hr/>	<hr/>
NET ASSETS		2,362,345	2,318,961
		<hr/> <hr/>	<hr/> <hr/>
Equity			
Share capital		297,422	297,422
Reserves		2,057,843	2,015,594
		<hr/>	<hr/>
Total equity attributable to owners of the Company		2,355,265	2,313,016
Non-controlling interests		7,080	5,945
		<hr/>	<hr/>
TOTAL EQUITY		2,362,345	2,318,961
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 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, chief executive officer and an executive 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 (together 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

(a) Statement of compliance and basis of measurement

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been prepared under the historical cost basis except for certain properties and financial instruments, which are measured at fair values.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the management to make critical accounting judgement, estimation and assumptions based on historical experience and various factors that are believed to be reasonable in the application of the Group’s accounting policies, which involved key sources of estimation uncertainty and significant risks of causing material adjustments to the carrying amounts of assets and liabilities presented in the consolidated financial statements when those areas have high degree of judgement or complexity of estimation since the actual results may differ from these judgement and estimation when it is not readily apparent from other sources.

The consolidated financial statements are presented in Hong Kong Dollars (“**HKD**”) and rounded to the nearest thousand, unless otherwise stated.

The consolidated financial statements have been approved for issue by the board (the “**Board**”) of directors (the “**Directors**”) of the Company on 31 March 2026.

(b) Going concern assumption

The Group recorded a loss of HKD35,729,000 for the year ended 31 December 2025. As at 31 December 2025, the Group's current bank borrowings amounted to HKD734,824,000, which are subject to payable or subject to renewal within twelve months following the end of the reporting period, while its cash and bank balances amounted to HKD85,596,000. Furthermore, the Group's current assets of HKD1,373,078,000 comprised investment properties classified as held for sale with a carrying amount of HKD715,026,000. Excluding these investment properties held for sale, the Group would be in an adjusted net current liabilities position. These events or conditions may cast significant doubt on the Group's ability to continue as a going concern.

In view of above circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. The Directors have prepared a cash flow forecast covering a period of 18 months from the end of the reporting period, taking into consideration the following factors:

- cash and cash equivalents of HKD85,596,000 available as at 31 December 2025;
- unutilised credit facilities of HKD384,790,000 as at 31 December 2025;
- collection of the outstanding consideration in connection with the sales of trademarks in prior years of HKD19,461,000;
- the Group has been in active discussions with the banks regarding the renewal of its borrowings and credit facilities, which will mature within 12 months from the end of the reporting period. The Directors expect that, taking into account of Group's past record of compliance with the terms of its borrowings, the availability of sufficient assets as collateral, and the current status of negotiations, the Group will be able to successfully renew its credit facilities; and
- management's ability to adjust the pace of the Group's operational expansion.

Based on the above, the Directors are of the opinion that the Group will have sufficient funds and resources to finance its operations and to meet in full its financial obligations as and when they fall due for the foreseeable future. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis.

3. ADOPTION OF HKFRS ACCOUNTING STANDARDS

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

The Group has adopted the following amendments to HKFRS Accounting Standards issued by HKICPA relevant to the Group's accounting policies and business operations adopted for the first time prepared and presented on the consolidated financial statements for the annual period beginning on or after 1 January 2025:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements

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 years and/or on the disclosures set out in these 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	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 HKAS 21	Translation to a Hyperinflationary Presentation Currency ²
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
Annual Improvements to HKFRS Accounting Standards – Volume 11	HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹

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 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 these consolidated financial statements, except for the application of HKFRS 18.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

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

4. SEGMENT INFORMATION

In accordance with the Group's internal financial reporting process to both Directors and key management personnel of the Company (together 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, segment liabilities, other segment information, geographical information and information about major customers, which is regularly provided to the Chief Operating Decision Maker to serve the above purpose.

A summary of the Group's 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 results of different reportable segments recognised during the year:

For the year ended 31 December 2025

	Branding <i>HKD'000</i>	Retailing <i>HKD'000</i> <i>(Note)</i>	Financial services <i>HKD'000</i>	Inter- segment elimination <i>HKD'000</i>	Consolidated <i>HKD'000</i>
Revenue from external customers	51,100	241,485	16,165	–	308,750
Inter-segment revenue*	1	5,436	–	(5,437)	–
Reportable segment revenue	51,101	246,921	16,165	(5,437)	308,750
Reportable segment (loss)/profit	(19,112)	(6,448)	38,733	–	13,173
Reconciliation:					
Interest income					3,399
Central administrative expenses					(32,311)
Share of results of joint ventures					(15,092)
Share of results of associates					(41)
Loss before income tax expense					(30,872)

Note:

**Revenue from commission income
from concessionaire sales included
in retailing segment is analysed as
follows:**

Gross revenue from concessionaire sales	1,121,064
Commission income from concessionaire sales	191,023

For the year ended 31 December 2024

	Branding <i>HKD'000</i>	Retailing <i>HKD'000</i> <i>(Note)</i>	Financial services <i>HKD'000</i>	Inter- segment elimination <i>HKD'000</i>	Consolidated <i>HKD'000</i>
Revenue from external customers	52,998	236,648	17,915	–	307,561
Inter-segment revenue*	<u>91</u>	<u>5,428</u>	<u>–</u>	<u>(5,519)</u>	<u>–</u>
Reportable segment revenue	<u><u>53,089</u></u>	<u><u>242,076</u></u>	<u><u>17,915</u></u>	<u><u>(5,519)</u></u>	<u><u>307,561</u></u>
Reportable segment loss	<u><u>(17,477)</u></u>	<u><u>(21,770)</u></u>	<u><u>(26,129)</u></u>	<u><u>–</u></u>	<u><u>(65,376)</u></u>
Reconciliation:					
Interest income					4,439
Central administrative expenses					(70,242)
Share of results of joint ventures					(10,031)
Share of results of associates					<u>185</u>
Loss before income tax expense					<u><u>(141,025)</u></u>

Note:

**Revenue from commission income
from concessionaire sales included
in retailing segment is analysed as
follows:**

Gross revenue from concessionaire sales	<u><u>1,074,392</u></u>
Commission income from concessionaire sales	<u><u>178,794</u></u>

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

(b) **Segment revenue and results (Disaggregation of revenue)**

The following table provides an analysis of reportable segment revenue recognised during the year 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 year, 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 year ended 31 December 2025

Revenue from contracts with customers within the scope of HKFRS 15

	Branding <i>HKD'000</i>	Retailing <i>HKD'000</i>	Financial services <i>HKD'000</i>	Consolidated <i>HKD'000</i>
Primary geographical markets:				
The People's Republic of China (the “ PRC ”)	6,587	191,835	–	198,422
Hong Kong (Place of domicile)	21,813	–	6,190	28,003
United States of America	4,095	–	–	4,095
Other Asian countries (<i>Note</i>)	6,218	–	–	6,218
Others (<i>Note</i>)	12,387	–	–	12,387
Total	51,100	191,835	6,190	249,125
Major products and services:				
Sales of goods	47,613	–	–	47,613
Commission income from concessionaire sales	–	191,023	–	191,023
Royalty income	3,487	–	–	3,487
Securities brokerage commission	–	–	1,770	1,770
Financial consultancy income	–	–	3,935	3,935
Other services income	–	812	485	1,297
Total	51,100	191,835	6,190	249,125
Timing of revenue recognition:				
At a point in time	47,613	–	1,770	49,383
Transferred over time	3,487	191,835	4,420	199,742
Total	51,100	191,835	6,190	249,125

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	–	49,650	–	49,650
Hong Kong (Place of domicile)	–	–	9,975	9,975
Total	–	49,650	9,975	59,625
Major products and services:				
Rental income	–	49,650	–	49,650
Interest income	–	–	9,975	9,975
Total	–	49,650	9,975	59,625

For the year ended 31 December 2024

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	1,970	179,468	–	181,438
Hong Kong (Place of domicile)	24,303	–	6,292	30,595
United States of America	4,159	–	–	4,159
Other Asian countries (<i>Note</i>)	6,138	–	–	6,138
Others (<i>Note</i>)	16,428	–	–	16,428
Total	52,998	179,468	6,292	238,758
Major products and services:				
Sales of goods	49,313	–	–	49,313
Commission income from concessionaire sales	–	178,794	–	178,794
Royalty income	3,666	–	–	3,666
Securities brokerage commission	–	–	935	935
Financial consultancy income	–	–	5,357	5,357
Other services income	19	674	–	693
Total	52,998	179,468	6,292	238,758
Timing of revenue recognition:				
At a point in time	49,313	–	935	50,248
Transferred over time	3,685	179,468	5,357	188,510
Total	52,998	179,468	6,292	238,758

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	–	50,259	–	50,259
Hong Kong (Place of domicile)	–	6,921	11,623	18,544
Total	–	57,180	11,623	68,803
Major products and services:				
Rental income	–	57,180	–	57,180
Interest income	–	–	11,623	11,623
Total	–	57,180	11,623	68,803

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

(c) **Segment assets**

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

	2025 HKD'000	2024 HKD'000
Branding	216,746	241,604
Retailing	2,994,136	2,956,000
Financial services	418,356	325,874
Total reportable segment assets	3,629,238	3,523,478
Unallocated	177,306	171,617
Assets classified as held for sale	715,026	720,866
Consolidated total assets	4,521,570	4,415,961

(d) Segment liabilities

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

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Branding	43,010	43,595
Retailing	459,825	472,271
Financial services	129,539	21,688
Total reportable segment liabilities	<u>632,374</u>	537,554
Unallocated	<u>1,526,851</u>	<u>1,559,446</u>
Consolidated total liabilities	<u><u>2,159,225</u></u>	<u><u>2,097,000</u></u>

(e) Other segment information

For the year ended 31 December 2025

	Branding <i>HKD'000</i>	Retailing <i>HKD'000</i>	Financial services <i>HKD'000</i>	Corporate and other unallocated <i>HKD'000</i>	Consolidated <i>HKD'000</i>
Amounts included in the measures of segment results, segment assets and segment liabilities:					
Capital expenditure (<i>Note</i>)	51	5,614	24	45	5,734
Depreciation of property, plant and equipment	4,465	65,294	817	74	70,650
Depreciation of right-of-use assets	510	13,668	-	-	14,178
Amortisation of intangible assets	2,007	-	-	-	2,007
Loss/(gain) on disposal of property, plant and equipment	56	10	(4,339)	-	(4,273)
Write off of property, plant and equipment	70	12	-	-	82
Decrease in fair value of investment properties	-	31,921	-	-	31,921
Exchange losses, net	93	(1,182)	16	4,070	2,997
Fair value gain on financial assets at fair value through profit or loss	-	-	(34,866)	-	(34,866)
Provision/(reversal) of impairment loss on financial assets	310	(312)	533	-	531
Reversal of allowance of inventories	(128)	-	-	-	(128)
Dividend income	-	-	(487)	-	(487)
Interest income	-	-	(9,975)	(3,399)	(13,374)
Interest expenses	971	24,721	6	38,602	64,300

For the year ended 31 December 2024

	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	Corporate and other unallocated HKD'000	Consolidated HKD'000
Amounts included in the measures of segment results, segment assets and segment liabilities:					
Capital expenditure (<i>Note</i>)	1,695	20,849	–	–	22,544
Depreciation of property, plant and equipment	4,653	69,996	1,630	–	76,279
Depreciation of right-of-use assets	650	13,541	–	–	14,191
Amortisation of intangible assets	2,007	–	–	–	2,007
Gain on disposal of property, plant and equipment	–	(138)	–	–	(138)
Loss on revaluation of property, plant and equipment	–	741	–	–	741
Write off of property, plant and equipment	–	43	–	–	43
Exchange gains, net	966	426	–	(2,905)	(1,513)
Decrease in fair value of investment properties	–	34,905	–	–	34,905
Fair value loss on financial assets at fair value through profit or loss	–	–	23,648	–	23,648
(Reversal)/provision of impairment loss on financial assets	(210)	6,101	3,281	–	9,172
Reversal of allowance of inventories	(1,172)	–	–	–	(1,172)
Dividend income	–	–	(30)	–	(30)
Interest income	–	–	(11,623)	(4,439)	(16,062)
Interest expenses	1,049	93,139	–	–	94,188

Note: Capital expenditure including purchases of property, plant and equipment and construction costs of outlet malls located in Shenyang of the PRC.

(f) Geographical information

The following table provides an analysis of revenue from external customers by geographical locations based on the services locations or delivery destinations and non-current assets by geographical locations based on the physical locations of the assets operated (“**Specified non-current assets**”):

	Revenue from external customers		Specified non-current assets (Note)	
	2025 HKD'000	2024 HKD'000	2025 HKD'000	2024 HKD'000
The PRC	248,072	231,697	2,595,826	2,551,538
Hong Kong (Place of domicile)	37,978	49,139	386,241	425,479
United States of America	4,095	4,159	42,091	42,091
Other Asian countries	6,218	6,138	62,083	63,434
Others	12,387	16,428	46,064	45,955
Total	308,750	307,561	3,132,305	3,128,497

Note: Non-current assets located in different geographical locations excluding deferred tax assets located across different geographical locations and the costs of capturing such information will be excessive.

(g) Information about major customers

No revenue from transactions with a single external customer, in aggregate, representing 10% or more of the Group’s total revenue for the years ended 31 December 2025 and 2024.

5. REVENUE

The amounts of each significant categories of revenue recognised during the year are disaggregated as follows:

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Revenue from contracts with customers within the scope of HKFRS 15:		
Sales of goods	47,613	49,313
Commission income from concessionaire sales	191,023	178,794
Royalty income	3,487	3,666
Securities brokerage commission	1,770	935
Financial consultancy income	3,935	5,357
Other services income	1,297	693
	<u>249,125</u>	<u>238,758</u>
Revenue from other sources not within the scope of HKFRS 15:		
Rental income	49,650	57,180
Interest income	9,975	11,623
	<u>59,625</u>	<u>68,803</u>
Total	<u><u>308,750</u></u>	<u><u>307,561</u></u>

6. FINANCE COSTS

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

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Interest expenses on bank borrowings	49,871	79,266
Interest expenses on lease liabilities	11,593	12,685
Interest expenses on amounts due to directors	2,836	2,237
	<u>64,300</u>	<u>94,188</u>

7. INCOME TAX EXPENSE

The amount of income tax expense recognised in the consolidated statement of profit or loss during the year is as follows:

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Current tax:		
Hong Kong		
– Profits Tax		
– Provision for the year	(202)	(410)
– Over-provision in respect of prior years	<u>222</u>	<u>231</u>
	<u>20</u>	<u>(179)</u>
The PRC		
– PRC Enterprise Income Tax		
– Provision for the year	(8,474)	(5,905)
– Under-provision in respect of prior years	<u>–</u>	<u>(112)</u>
	<u>(8,474)</u>	<u>(6,017)</u>
Other jurisdictions		
– Foreign Tax		
– Provision for the year	(32)	(24)
– Over-provision in respect of prior years	<u>30</u>	<u>36</u>
	<u>(2)</u>	<u>12</u>
Deferred tax:		
Hong Kong and the PRC		
– Profits Tax and PRC Enterprise Income Tax		
– Credit for the year	<u>3,599</u>	<u>2,101</u>
Income tax expense	<u><u>(4,857)</u></u>	<u><u>(4,083)</u></u>

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 year. According to the definition of “connected entity” under the Two-tiered Profits 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 year 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 year.

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 year, except for one of the Company's subsidiary 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 year, based on the existing tax legislation, interpretation and practices in respect thereof.

Up to the date of approval and authorisation for issuance of the 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. However, for all newly signed tenancy agreements between the Group and the tenants since the financial year 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 the consolidated financial statements. In addition, pursuant to the signed sales and purchase agreement in respect of the acquisition of the above subsidiary in 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. As at 31 December 2025 and 2024, no provision of potential tax penalty is made.

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 year.

Pillar Two Rules

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective or enacted but not effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

8. LOSS FOR THE YEAR

(a) Other income and gains

	2025 HKD'000	2024 HKD'000
Dividend income from financial assets at fair value through profit or loss	487	30
Exchange gains, net	–	1,513
Interest income	3,399	4,439
Gain on disposal of property, plant and equipment	4,273	138
Government grants (<i>Note (i)</i>)	4,157	12,979
Reimbursement income of operating outlet malls	16,154	14,570
Gain on deregistration of subsidiaries	19,249	–
Others	3,940	4,270
	<u>51,659</u>	<u>37,939</u>

Note:

- (i) For the years ended 31 December 2025 and 2024, government grants were received from the PRC local authorities which provide financial support on the retailing business in the PRC and the Japan local authorities in respect of the Sake business in Japan. There was no unfulfilled condition to receive both government grants at the end of reporting period.

(b) Loss for the year is arrived at:

	2025 HKD'000	2024 HKD'000
After charging:		
Directors' emoluments	8,334	8,319
Employees' costs (excluding Directors' emoluments) comprise:		
– Salaries	44,379	45,286
– Welfare and other expenses	1,918	2,142
– Contributions to defined contribution retirement plans	6,362	6,507
	<u>60,993</u>	<u>62,254</u>
Auditor's remuneration	1,380	1,380
Amortisation of intangible assets	2,007	2,007
Cost of inventories recognised as expenses	23,270	26,330
Depreciation of property, plant and equipment	70,650	76,279
Depreciation of right-of-use assets	14,178	14,191
Decrease in fair value of investment properties	31,921	34,905
Exchange losses, net	2,997	–
Short-term leases expenses	1,809	2,776

	2025 HKD'000	2024 HKD'000
After crediting:		
Reversal of allowance of inventories (<i>Note (i)</i>)	(128)	(1,172)
Gain on disposal of property, plant and equipment	(4,273)	(138)
Exchange gains, net	–	(1,513)
Gross rental income from investment properties	(49,650)	(57,180)
Less: Direct operating expenses related to:		
– Investment properties that generate rental income	15,328	16,312
– Investment properties that did not generate rental income	96	90
	<u>(34,226)</u>	<u>(40,778)</u>
Interest income from:		
– Bank deposits	(492)	(1,473)
– Loans receivable and advances to customers in margin financing	(9,975)	(11,623)
– Others	(2,907)	(2,966)
Dividend income	(487)	(30)
Reimbursement income of operating outlet malls	<u>(16,154)</u>	<u>(14,570)</u>

Note:

- (i) The reversal of allowance of inventories arising from increase in net realisable value caused by the increase in estimated scrap value.

9. DIVIDEND

	2025 HKD'000	2024 HKD'000
2024 final dividend of HKD0.005 (2024: 2023 final dividend of HKD0.005) per ordinary share declared and paid	<u>14,871</u>	<u>14,871</u>

No interim dividend was declared and paid to the shareholders of the Company (the “Shareholders”) for both current and prior year.

The Directors recommended the payment of a final dividend to the Shareholders in respect of the financial year ended 31 December 2025 of HKD0.005 (2024: HKD0.005) per ordinary share of the Company, in total of approximately HKD14,871,000 (2024: HKD14,871,000). The final dividend proposed after the end of reporting period was not reflected as dividend payable in the consolidated financial statements as at 31 December 2025 and 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:

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Loss:		
Loss for the year attributable to owners of the Company	<u><u>(32,945)</u></u>	<u><u>(143,119)</u></u>
	2025 Number of shares '000	2024 Number of shares '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating the basic and diluted loss per share	<u><u>2,974,225</u></u>	<u><u>2,974,225</u></u>
	<i>HK cents</i>	<i>HK cents</i>
Loss per share:		
Basis and diluted	<u><u>(1.11)</u></u>	<u><u>(4.81)</u></u>

The Company did not have any dilutive potential ordinary shares for the years ended 31 December 2025 and 2024.

11. PROPERTY, PLANT AND EQUIPMENT/INVESTMENT PROPERTIES

Property, plant and equipment

The carrying amount of the property, plant and equipment increased during the year was mainly due to the effect of the appreciation of Renminbi (“RMB”) against HKD on the properties located in the PRC.

Investment properties

The investment properties (including investment properties classified as held for sale) located in Hong Kong, Beijing, Shanghai, Chongqing and Tianjin, the PRC are held either medium or long-term leases and for the purpose of either earning rental income or capital appreciation.

The carrying amount of the investment properties increased during the year was mainly due to the effect of the appreciation of RMB against HKD on the investment properties located in the PRC.

12. INVENTORIES

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Raw materials	2,858	3,125
Work-in-progress	726	566
Finished goods	34,592	38,883
Goods-in-transit	2,721	2,333
	<u>40,897</u>	<u>44,907</u>
Provision of allowance	(9,958)	(9,731)
	<u><u>30,939</u></u>	<u><u>35,176</u></u>

A reversal of allowance of inventories of approximately HKD128,000 (2024: HKD1,172,000) was recognised in profit or loss during the year due to the increase (2024: increase) in estimated net realisable value of certain categories of inventories as a result of increase (2024: increase) in estimated scrap value.

13. TRADE AND OTHER RECEIVABLES

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Trade receivables arising from:		
– Other than financial services segment	23,229	24,728
– Financial services segment	12,093	6,696
	<u>35,322</u>	<u>31,424</u>
Total gross carrying amount	35,322	31,424
Less: Loss allowance	(6,035)	(5,611)
	<u>29,287</u>	<u>25,813</u>
Prepayments, deposits and other receivables:		
Total gross carrying amount	103,265	110,677
Less: Loss allowance	(8,665)	(9,259)
	<u>94,600</u>	<u>101,418</u>
Total net carrying amount after loss allowance	<u>94,600</u>	<u>101,418</u>
	<u><u>123,887</u></u>	<u><u>127,231</u></u>

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:

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
0 to 30 days	19,589	15,218
31 to 60 days	1,297	1,045
61 to 90 days	413	631
Over 90 days	7,988	8,919
	<u>29,287</u>	<u>25,813</u>

14. ADVANCES TO CUSTOMERS IN MARGIN FINANCING

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Directors and their associates	26,096	26,033
Other margin clients	53,631	100,577
	<u>79,727</u>	<u>126,610</u>

At 31 December 2025 and 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.

Based on the result of the expected credit loss calculation with reference to the discounted market value of listed equity securities, no provision of loss allowance was recognised for both current 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 31 December 2025 and 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.

15. LOANS RECEIVABLE

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Secured:		
Total gross carrying amount	59,536	51,187
Less: Loss allowance	(6,040)	(5,453)
	<u>53,496</u>	<u>45,734</u>

Movement of loss allowance of loans receivable during the year is as follows:

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
At 1 January	5,453	2,714
Provision of loss allowance	587	2,739
At 31 December	<u>6,040</u>	<u>5,453</u>

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

16. TRADE AND OTHER PAYABLES

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Trade payables arising from:		
– Other than financial services segment	174,273	172,419
– Financial services segment	<u>122,195</u>	<u>20,224</u>
Total trade payables	296,468	192,643
Accruals, receipts in advance, temporary receipts and other payables	<u>165,824</u>	<u>156,816</u>
Total trade and other payables	<u><u>462,292</u></u>	<u><u>349,459</u></u>

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:

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
0 to 30 days	99,057	136,600
31 to 60 days	72,220	31,792
61 to 90 days	2,885	3,310
Over 90 days	<u>111</u>	<u>717</u>
	<u><u>174,273</u></u>	<u><u>172,419</u></u>

The settlement terms of trade payables arising from the ordinary course of business of dealing in securities are either one or two trading days after the trade date depending on the categories of the underlying securities transactions are executed. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Over the past year, we witnessed a restructuring in the global economic and trade landscape. In the first half of the year, the industry was under pressure amidst the high interest rate environment, while market liquidity gradually improved as a result of shift in monetary policy in the second half of the Year. In the face of multiple challenges, the Group ensured stable operation through strategic business layout, laying a solid foundation for future growth.

Our core retail brand “Park Outlets” gave full play to the synergetic effect between outlets model and community business. “Park Outlets” in Xiamen maintained its strong growth momentum, achieving total gross sales of over RMB100 million for the first month of the year for four consecutive years and ranking top among peer outlets in the city. Upon re-opening after 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 several long holidays of the year. On the front of digital transformation, AI-based market analysis system improved operational decision-making accuracy; live streaming on WeChat channel drove 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 Year, “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 and was awarded “TOP50 Benchmark Outlet Projects in China” (中國奧特萊斯TOP50標桿項目) at the 12th Outlet Leadership Summit, while “Park Outlets” in Shenyang was recognized 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).

As to branding business, faced with intensified market competition and cost pressure, the performance of the compression sportswear brand “SKINS” fell short of expectations during the Year. The Group has reviewed its global layout, optimized supply chain efficiency and refined its product portfolio. 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 recognition from the local consumers. During the Year, it successfully expanded cross-border e-commerce channels, expedited the penetration into the Southeast Asia market. As the Japanese wine business was also faced with sales challenges, the Group will reassess its market strategy and enhance brand and channel management.

The financial services 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 during the Year, the performance of the business was in line with the Company’s expectations, providing steady revenue stream for the Group.

FINANCIAL REVIEW

Overview of Annual Results

During the Year, the Group's overall revenue increased by approximately 0.4% to approximately HKD308.8 million (2024: approximately HKD307.6 million).

Gross profit for the Year amounted to approximately HKD285.5 million, representing an increase of approximately HKD4.3 million or approximately 1.5% as compared with approximately HKD281.2 million for the Comparable Year. Gross profit margin for the Year was approximately 92.5% (2024: approximately 91.4%).

The Group recorded loss for the year attributable to owners of the Company of approximately HKD32.9 million for the Year, compared with loss of approximately HKD143.1 million for the Comparable Year, representing a decrease in loss of approximately 77.0% or approximately HKD110.2 million. The reduction in loss for the year attributable to owners of the Company for the Year was mainly attributable to the combined effect of, among others, (i) an increase in other income and gains; (ii) a reduction in finance costs; (iii) the absence of a loss on the disposal of financial assets which was recorded in the Comparable Year; and (iv) a fair value gain on financial assets at fair value through profit or loss.

Overall, the Group recorded basic and diluted loss per share of approximately HK1.11 cents for the Year, as compared with basic and diluted loss per share of approximately HK4.81 cents for the Comparable Year.

Revenue and operating results

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 Year amounted to approximately HKD51.1 million (2024: approximately HKD53.0 million), representing a decrease of approximately 3.6%.

The segment gross profit margin increased to approximately 54.5% for the Year (2024: approximately 50.3%). The reportable segment loss of the branding segment was approximately HKD19.1 million for the Year (2024: reportable segment loss of approximately HKD17.5 million). The increase in reportable segment loss was mainly due to a decrease in government grants.

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 either medium or long-term leases and for the purpose of either earning rental income or capital appreciation.

Revenue for the Year amounted to approximately HKD241.5 million (2024: approximately HKD236.6 million), representing an increase of approximately 2.0%. The segment gross profit margin was 100.0% for the Year (2024: 100.0%). The reportable segment loss of the retailing segment was approximately HKD6.4 million for the Year (2024: reportable segment loss of approximately HKD21.8 million). The decrease in reportable segment loss was mainly due to a reduction in fair value loss of investment properties and decrease in provision of impairment loss on financial assets.

Financial Services

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

Revenue for the Year amounted to approximately HKD16.2 million (2024: approximately HKD17.9 million), representing a decrease of approximately 9.8%. The segment gross profit margin was 100.0% for the Year (2024: 100.0%). The reportable segment profit was approximately HKD38.7 million for the Year (2024: reportable segment loss of approximately HKD26.1 million). The reversal from segment loss to segment profit was mainly due to a fair value gain on financial assets at fair value through profit or loss.

Other income and gains

Other income and gains mainly comprised of the reimbursement income of outlet malls, government grants, interest income and gain on deregistration of subsidiaries. Other income and gains increased from approximately HKD37.9 million for the Comparable Year to approximately HKD51.7 million for the Year, representing an increase of approximately 36.2%. The increase was mainly due to gain on deregistration of subsidiaries.

Distribution and selling expenses

Distribution and selling expenses mainly comprised of the advertising and promotion expenses and employees' costs. Distribution and selling expenses remained stable at approximately HKD61.4 million for the Year (2024: approximately HKD61.1 million).

Administrative expenses

Administrative expenses mainly comprised of employees' costs, PRC tax surcharges and levies, professional fees and utilities expenses. Administrative expenses increased from approximately HKD133.8 million for the Comparable Year to approximately HKD138.8 million for the Year, representing an increase of approximately 3.7%. The increase was mainly due to the rise in professional fees and net foreign exchange loss.

Finance costs

Finance costs mainly comprised of interest expenses on bank borrowings. Finance costs decreased from approximately HKD94.2 million for the Comparable Year to approximately HKD64.3 million for the Year, representing a decrease of approximately 31.7%. The decrease was primarily due to a reduction in average interest rates through refinancing arrangements and a decrease in Hong Kong Interbank Offered Rate during the Year.

Provision of impairment loss on financial assets

Provision of impairment loss on financial assets for the Year amounted to approximately HKD0.5 million, as compared with approximately HKD9.2 million for the Comparable Year. Impairment loss on financial assets mainly comprised of impairment loss on trade and other receivables and loans receivable.

Decrease in fair value of investment properties

Decrease in fair value of investment properties (including investment properties in assets classified as held for sale) for the Year amounted to approximately HKD31.9 million, as compared with decrease of approximately HKD34.9 million for the Comparable Year. The fair value loss of investment properties during the Year was mainly attributable to the investment properties located in Hong Kong.

Fair value gain/(loss) on financial assets at fair value through profit or loss

Fair value gain on financial assets at fair value through profit or loss for the Year amounted to approximately HKD34.9 million, as compared with fair value loss of approximately HKD23.6 million for the Comparable Year. The reversal from fair value loss to fair value gain on financial assets at fair value through profit or loss was mainly due to a fair value gain on unlisted investment.

Income tax expense

Income tax expense for the Year amounted to approximately HKD4.9 million, representing an increase of approximately 19.0% as compared with the income tax expense of approximately HKD4.1 million for the Comparable Year. The increase was due to the rise in taxable profits during the Year.

Loss for the year attributable to owners of the Company

The Group reported loss for the year attributable to owners of the Company of approximately HKD32.9 million for the Year as compared with loss of approximately HKD143.1 million for the Comparable Year. The reduction in loss was mainly attributable to the combined effect of, among others, (i) an increase in other income and gains; (ii) a reduction in finance costs; (iii) the absence of a loss on the disposal of financial assets which was recorded in the Comparable Year; and (iv) a fair value gain on financial assets at fair value through profit or loss.

MARKET INFORMATION

During the Year, revenue from the PRC, Hong Kong and other Asian countries comprised of approximately 94.7% (2024: approximately 93.3%) of the total revenue and the remaining of approximately 5.3% (2024: approximately 6.7%) shared between the United States of America and other countries.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group had bank balances and cash amounted to approximately HKD85.6 million (2024: approximately HKD77.2 million). The Group was offered banking facilities amounted to approximately HKD1,544.9 million (2023: approximately HKD1,720.0 million).

As at 31 December 2025, the Group's bank borrowings amounted to approximately HKD1,160.1 million (2024: approximately HKD1,140.4 million). The Group had variable interest-rate bank borrowings carried at interest rates from approximately 1.92% to 6.81% (2024: approximately 1.92% to 7.11%) per annum. The weighted average effective interest-rate was approximately 4.2% (2024: approximately 5.4%) per annum. The Group's gearing ratio was expressed as a percentage of total outstanding net debt (being the total bank borrowings less bank balances and cash) to total equity was approximately 45.5% (2024: approximately 45.8%). Bank borrowings of approximately HKD734.8 million (2024: approximately HKD704.5 million) must be repaid within one year, while the remaining balance must be repaid from two to seventeen years (2024: two to eighteen years).

As at 31 December 2025, the Group's current assets and current liabilities were approximately HKD1,373.1 million (2024: approximately HKD1,274.7 million) and approximately HKD1,227.8 million (2024: approximately HKD1,162.6 million) respectively. Accordingly, the Group's current ratio that expressed as current assets to current liabilities was approximately 1.12 (2024: approximately 1.10).

PLEDGE OF ASSETS

As at 31 December 2025, the Group pledged: (i) certain of its leasehold land and buildings, outlet mall buildings, investment properties, right-of-use assets and asset classified as held for sale, with the respective carrying amounts of approximately HKD211.0 million, HKD1,534.2 million, HKD497.3 million, HKD405.5 million and HKD715.0 million as at 31 December 2025 (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; (iv) personal guarantees provided by certain directors of the Company and its subsidiaries; and (v) certain properties owned by the directors of the Company and by a director of its subsidiary, to secure the banking facilities offered to the Group.

CAPITAL COMMITMENTS

As at 31 December 2025, the Group's capital commitments amounted to approximately HKD5.7 million in respect of construction costs of outlet mall buildings located in Shenyang of the PRC (2024: approximately HKD8.1 million).

CAPITAL EXPENDITURE

Capital expenditure including purchases of property, plant and equipment and construction costs of outlet mall buildings located in Shenyang of the PRC was approximately HKD5.7 million for the Year (2024: approximately HKD22.5 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 7 of this announcement.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group's total number of employees was 246 (2024: 217). Employees' costs (excluding directors' emoluments) comprise of salaries, welfare and other expenses and contribution to defined contribution retirement plans amounted to approximately HKD52.6 million (2024: approximately HKD53.9 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.

SHARE OPTION SCHEME

During the Year and the Comparable Year, no share option was granted, exercised, expired, or lapsed and as at the date of this announcement, there was no outstanding share option under any share option scheme adopted by the Company.

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 Year, the Group did not enter into any financial derivatives for hedging purpose. However, the management monitors foreign exchange exposure from time to time. Appropriate measures would be undertaken by the management when the exchange rate fluctuations become significant.

DIVIDEND

The Board recommended the payment of a final dividend of HKD0.005 (2024: HKD0.005) per ordinary share for the Year, which is subject to the approval of the shareholders of the Company at the annual general meeting (the “AGM”) to be held on 12 June 2026. The final dividend is proposed to be paid on or about 7 September 2026 to the shareholders whose names appear on the register of members of the Company at the close of business on 14 August 2026.

CLOSURE OF REGISTER OF MEMBERS

- (1) The AGM is scheduled to be held on 12 June 2026. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 8 June 2026 to 12 June 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. Shareholders whose names appear on the register of members of the Company on 12 June 2026 will be entitled to attend and vote at the AGM. In order for a shareholder of the Company to be eligible to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 5 June 2026.
- (2) For determining the entitlement to the final dividend for the Year, the register of members of the Company will be closed from 10 August 2026 to 14 August 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order for a shareholder of the Company to qualify for the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 7 August 2026.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, 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.

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 and disposals of subsidiaries, associates and joint ventures, significant investments and future plans of material investment during the Year.

FUTURE PROSPECTS

Looking forward to 2026 which marks the inaugural year of the country’s “15th Five-Year” Plan, the PRC economy is set to demonstrate stronger growth momentum driven by “twin engines” of domestic demand and technology innovation. The government has made it a top priority to boost domestic demand. The Group will seize the opportunities brought by policy support and supply chain optimization to accelerate operation innovation and market expansion, and steadily explore new business development opportunities to capture the development prospects brought by the “15th Five-Year” Plan, in an effort to achieve high-quality development amid a complex international environment.

The retailing 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 will 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 branding business will take the path of differentiated development: SKINS will focus on function optimization and cost control, explore flexible regional cooperation model; SBT will continue to explore middle-aged and elderly health management, youth health and other niche markets in the Greater Bay Area and Southeast Asia; and the Japanese wine business will focus on product optimization, align with standards of the European, U.S. and Japanese domestic markets, upgrade packaging design and marketing strategies, and strengthen brand communication.

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

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

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises of 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, has reviewed the final results for the Year.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited on the preliminary announcement.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") throughout the Year except for the following deviations:

- Under code provision C.2.1 of the CG Code, the roles of the chairman and chief executive should be separated and should not be performed by the same individual. Mr. Cheng Tun Nei ("**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.

EVENT AFTER THE REPORTING PERIOD

There was no other significant event affecting the Group that had occurred after 31 December 2025 and up to date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (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 Year.

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.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.symphonyholdings.com. The annual report for the Year containing all the information required by Listing Rules will be despatched to shareholders of the Company and will be made available on the above websites by the end of April 2026.

By order of the Board
Symphony Holdings Limited
Cheng Tun Nei
Chairman

Hong Kong, 31 March 2026

As at the date of this announcement, the Directors are:

Executive Directors:

Mr. Cheng Tun Nei
(Chairman and 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
Ms. Ma Yin Fan

* *For identification purpose only*