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ENM HOLDINGS LIMITED

安寧控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 00128)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Board of Directors (the “Board”) of ENM Holdings Limited (the “Company”) herein presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025 together with the unaudited comparative amounts for the corresponding period in 2024.

The financial information set out below in this announcement represents an extract from the condensed consolidated financial statements for the six months ended 30 June 2025, which are unaudited, but have been reviewed by the Company’s external auditor, RSM Hong Kong, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the interim report to be sent to shareholders. The condensed consolidated financial statements for the six months ended 30 June 2025 have also been reviewed by the Company’s Audit Committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
	Note	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Continuing operations			
Revenue	4	17,680	43,620
Cost of sales		(471)	(17,321)
Gross profit		17,209	26,299
Other income		1,201	514
Selling and distribution costs		(4,488)	(14,457)
Administrative expenses		(15,632)	(20,780)
Depreciation of property, plant and equipment		(207)	(283)
Other operating gains, net		13,783	2,122
Profit/(Loss) from operations		11,866	(6,585)
Fair value losses on investment properties, net		(2,100)	(1,100)
Finance costs	5	(61)	(419)
Profit/(Loss) before tax		9,705	(8,104)
Income tax expense	6	-	-
Profit/(Loss) for the period from continuing operations	7	9,705	(8,104)
Discontinued operations			
Loss for the period from discontinued operations	9	-	(6,089)
Profit/(Loss) for the period		9,705	(14,193)
Attributable to:			
Owners of the Company			
Profit/(Loss) for the period from continuing operations		9,705	(8,109)
Loss for the period from discontinued operations		-	(6,089)
Profit/(Loss) for the period attributable to owners of the Company		9,705	(14,198)
Non-controlling interests			
Profit for the period from continuing operations attributable to non-controlling interests		-	5
		9,705	(14,193)

**CONDENSED CONSOLIDATED STATEMENT OF
PROFIT OR LOSS (CONT'D)
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

		Six months ended 30 June	
	Note	2025	2024
		HK\$	HK\$
		(<i>unaudited</i>)	(<i>unaudited</i>)
Earnings/(Loss) per share			
From continuing and discontinued operations			
- Basic	10(a)(i)	<u>0.59 cents</u>	<u>(0.86) cents</u>
- Diluted	10(b)	<u>N/A</u>	<u>N/A</u>
From continuing operations			
- Basic	10(a)(ii)	<u>0.59 cents</u>	<u>(0.49) cents</u>
- Diluted	10(b)	<u>N/A</u>	<u>N/A</u>
From discontinued operations			
- Basic	10(a)(iii)	<u>-</u>	<u>(0.37) cents</u>
- Diluted	10(b)	<u>N/A</u>	<u>N/A</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

	Note	Six months ended 30 June 2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Profit/(Loss) for the period		9,705	(14,193)
Other comprehensive loss:			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value loss on revaluation of Hilltop property	8	(10,721)	(23,361)
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		-	(32)
Exchange differences reclassified to profit or loss on dissolution of subsidiaries		(1,187)	-
Other comprehensive loss for the period, net of tax		(11,908)	(23,393)
Total comprehensive loss for the period		(2,203)	(37,586)
Attributable to:			
Owners of the Company		(2,203)	(37,584)
Non-controlling interests		-	(2)
		(2,203)	(37,586)

**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
AT 30 JUNE 2025**

	Note	30 June 2025	31 December 2024
		HK\$'000	HK\$'000
		(unaudited)	(audited)
Non-current assets			
Property, plant and equipment		330,463	340,661
Right-of-use assets		2,021	3,351
Investment properties		48,100	50,200
Financial assets at fair value through profit or loss	12	48,724	43,410
Total non-current assets		429,308	437,622
Current assets			
Inventories		120	655
Trade and other receivables	13	5,748	7,697
Financial assets at fair value through profit or loss	12	357,541	345,361
Pledged bank deposits		10,000	10,000
Time deposits		217,050	220,658
Cash and bank balances		30,442	15,806
Total current assets		620,901	600,177
Current liabilities			
Trade and other payables	14	25,947	10,652
Lease liabilities		1,575	2,323
Total current liabilities		27,522	12,975
Net current assets		593,379	587,202
Non-current liabilities			
Lease liabilities		143	835
NET ASSETS		1,022,544	1,023,989

**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (CONT'D)
AT 30 JUNE 2025**

	30 June 2025	31 December 2024
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Capital and reserves		
Issued capital	1,206,706	1,206,706
Accumulated losses	(1,224,274)	(1,233,979)
Other reserves	1,040,112	1,052,020
Equity attributable to owners of the Company	1,022,544	1,024,747
Non-controlling interests	-	(758)
TOTAL EQUITY	1,022,544	1,023,989

Notes:

1. Basis of Preparation

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

The financial information relating to the year ended 31 December 2024 that is included in these unaudited condensed consolidated financial statements for the six months ended 30 June 2025 as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

- The Company has delivered the consolidated financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).
- The Company’s auditor has reported on those consolidated financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

These condensed consolidated financial statements should be read in conjunction with the 2024 annual consolidated financial statements. Except as described below in note 2, the accounting policies (including the significant judgements made by Senior Management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2024.

2. New and Revised HKFRS Accounting Standards

A. New and Revised HKFRS Accounting Standards

The Group has applied the following amendment to HKFRS Accounting Standards issued by the HKICPA to this unaudited interim financial information for the current accounting period:

Amendment to HKAS 21	The effect of changes in foreign exchange rates: Lack of exchangeability
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The Group has assessed the impact of the adoption of the above amendment and considered that there was no significant impact on the Group's results and financial position or any substantial changes in the Group's accounting policies.

B. Impact of new and amended standards issued but not yet adopted by the Group

A number of new accounting standards and amendments to accounting standards are effective for annual reporting periods beginning after 1 January 2025 and earlier application is permitted. However, the Group has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed consolidated interim financial statements.

3. Segment Information

The Group has two reportable segments from continuing operations as follows:

Segment	Business Operation
Retail of fashion wear and accessories	The trading of fashion wear and accessories
Investments	The holding and trading of investments for short term and long term investment returns, and management of the Group's assets

On 16 June 2024, the Group discontinued the resort and recreational club operations, and the Group's Senior Management no longer review the discrete financial information of these discontinued operations. Accordingly, the segment information reported does not include any amounts for these discontinued operations, which are classified as "loss for the period from discontinued operations" in the condensed consolidated statement of profit or loss and described in more detail in note 9.

The Group's reportable segments are strategic business units that offer different products and services. Business units that have similar economic characteristics are combined in a single reportable segment. They are managed separately because each business requires different operating and marketing strategies.

After the Group discontinued the resort and recreational club operations, the operating results related to the management of the property ("Hilltop property") previously used for the resort and recreational club operations are now included in the Investments segment. This information is presented to the chief operation decision maker in aggregate with the operating results of the holding and trading of investments for regular review and decision-making.

Segment profits or losses do not include the following:

- Unallocated corporate administrative expenses, net;
- Fair value losses on investment properties, net;
- Finance costs; and
- Income tax expense.

Segment liabilities do not include interest-bearing bank borrowings.

3. Segment Information (Cont'd)

Information about reportable segment profit or loss, assets and liabilities from continuing operations:

	Retail of fashion wear and accessories	Investments	Total
	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)
Six months ended 30 June 2025:			
Revenue from external customers	7,817	9,863	17,680
Segment profit/(loss)	(830)	13,345	12,515
As at 30 June 2025:			
Segment assets	11,774	1,038,435*	1,050,209
Segment liabilities	(3,908)	(23,757)	(27,665)
Six months ended 30 June 2024:			
Revenue from external customers	34,840	8,780	43,620
Segment loss	(3,781)	(857)	(4,638)
As at 31 December 2024:			
Segment assets, audited	17,548	1,020,251*	1,037,799
Segment liabilities, audited	(5,019)	(8,791)	(13,810)

* Segment assets under the Investments segment included the property previously used for the discontinued resort and recreational club operations with fair value of HK\$330,000,000 as at 30 June 2025 (31 December 2024: HK\$340,000,000).

3. Segment Information (Cont'd)

Reconciliation of reportable segment profit or loss, assets and liabilities from continuing operations:

	Six months ended	
	30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit or loss		
Total profit/(loss) of reportable segments	12,515	(4,638)
Unallocated corporate administrative expenses, net	(649)	(1,947)
Fair value losses on investment properties, net	(2,100)	(1,100)
Finance costs	(61)	(419)
Consolidated profit/(loss) before tax from continuing operations	<u>9,705</u>	<u>(8,104)</u>
	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Assets		
Total assets of reportable segments	1,050,209	1,037,799
Assets relating to discontinued operations	-	-
Consolidated total assets	<u>1,050,209</u>	<u>1,037,799</u>
Liabilities		
Total liabilities of reportable segments	(27,665)	(13,810)
Liabilities relating to discontinued operations	-	-
Consolidated total liabilities	<u>(27,665)</u>	<u>(13,810)</u>

4. Revenue

Disaggregation and analysis of revenue from contracts with customers by major products or service line and timing of revenue recognition for the period from continuing operations are as follows:

		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
<i>Revenue from contracts with customer</i>			
(i)	Retail of fashion wear and accessories		
	Sale of fashion wear and accessories recognised at a point in time	7,817	34,840
<i>Revenue from other sources</i>			
(ii)	Investments		
	Dividend income arising from financial assets at fair value through profit or loss:		
	- Listed equity investments	-	447
	- Listed fund investments	17	279
	- Unlisted fund investments	3,616	4,336
	Interest income from:		
	- Financial assets at fair value through profit or loss	1,425	988
	- Other financial assets	4,805	2,730
		9,863	8,780
Total revenue of the Group from continuing operations		17,680	43,620

5. Finance Costs

		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Continuing operations			
	Interest on bank loans	-	137
	Interest expenses on lease liabilities	61	282
		61	419

6. Income Tax Expense

No provision for Hong Kong profits tax and overseas income tax has been made for the six months periods ended 30 June 2025 and 2024 since the Group has no assessable profit in Hong Kong and other countries in which the Group operates or has sufficient tax losses brought forward to set off against the assessable profits for both periods.

7. Profit/(Loss) for the Period from Continuing Operations

The Group's profit/(loss) for the period from continuing operations is stated after charging/(crediting) the following:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Cost of inventories sold [#]	471	17,321
Depreciation of right-of-use assets	1,400	6,527
Depreciation of property, plant and equipment	207	283
Gains from financial assets at fair value through profit or loss, net*:		
Fair value gains, net	(14,402)	(1,889)
Losses/(Gains) on disposal, net	1,088	(164)
	(13,314)	(2,053)
Fair value losses on investment properties, net	2,100	1,100
Losses on disposal of property, plant and equipment*	-	1
Write-back of provision for reinstatement cost*	(6)	-
Gain on dissolution of subsidiaries	(429)	-
Foreign exchange gains, net*	(463)	(70)

* These amounts are included in "Other operating gains, net".

Cost of inventories sold included write-back of inventories allowances of HK\$5,191,000 (30 June 2024: HK\$497,000).

8. Fair value loss on revaluation of Hilltop property

The valuation technique adopted for Hilltop property as at 30 June 2025 and 31 December 2024 is the “open market and highest and best use basis with the use of residual method”. In accordance with the HKFRS 13 “Fair Value Measurement”, and with advice from an independent and reputable valuer, the Group has revalued Hilltop property (the “Property”) based on its highest and best use with reference to the Property having received approval to be rezoned for residential development, after factoring in the uncertainty and timing of the remaining steps required to proceed with the redevelopment. This approach was first adopted for the year ended 31 December 2020. As at 30 June 2025, the fair value of the Property is HK\$330,000,000 (31 December 2024: HK\$340,000,000). The reduction in fair value of HK\$10,721,000 (including the addition of HK\$721,000 during the period) is recognised as other comprehensive loss for the period ended 30 June 2025 and accumulated in the property revaluation reserve which has no impact on the Group’s consolidated statement of profit or loss for period.

9. Discontinued Operations

Hill Top Country Club (the “Club”) has been loss making for numerous years. The Board believed that it is in the best interest of the Company and its shareholders to cease the Club operation and resolved on 26 March 2024 to close the Club effectively from 16 June 2024. The resort and recreational club segment is thus classified as a discontinued operation and is no longer included in note 3 for operating segment information. Further details of the above were set out in the Company’s announcement dated 26 March 2024.

	Six months ended	
	30 June	
	2025	2024
	HK\$’000	HK\$’000
	(unaudited)	(unaudited)
Loss for the period from discontinued operations:		
Revenue - Contracts with customers	-	5,304
Cost of sales	-	(1,128)
Other income	-	210
Selling and administrative expenses	-	(10,472)
Depreciation of property, plant and equipment	-	(3)
	-	-
Loss before tax from discontinued operations	-	(6,089)
Income tax expense	-	-
Loss for the period from discontinued operations		
(attributable to owners of the Company)	-	(6,089)

10. Earnings/(Loss) Per Share

(a) Basic Earnings/(loss) per share

(i) From continuing and discontinued operations

The calculation of basic earnings/(loss) per share is based on the profit for the period attributable to owners of the Company of HK\$9,705,000 (six months period ended 30 June 2024: loss of HK\$14,198,000) and the weighted average number of ordinary shares of 1,650,658,676 (six months period ended 30 June 2024: 1,650,658,676) in issue during the period.

(ii) From continuing operations

The calculation of basic earnings/(loss) per share from continuing operations is based on the profit for the period from continuing operations attributable to owners of the Company of HK\$9,705,000 (six months period ended 30 June 2024: loss of HK\$8,109,000) and the weighted average number of ordinary shares of 1,650,658,676 (six months period ended 30 June 2024: 1,650,658,676) in issue during the period.

(iii) From discontinued operations

The calculation of basic loss per share from discontinued operations is based on the loss from discontinued operations attributable to owners of the Company of HK\$6,089,000 for the six months period ended 30 June 2024 and the weighted average number of ordinary shares of 1,650,658,676 in issue during the period ended 30 June 2024.

(b) Diluted Earnings/(loss) per share

No diluted earnings/(loss) per share from continuing and discontinued operations are presented as the Company did not have any dilutive potential ordinary shares during the six months periods ended 30 June 2025 and 2024.

11. Dividends

The directors do not recommend the payment of any interim dividend to shareholders for the six months ended 30 June 2025 and 2024.

12. Financial Assets at Fair Value Through Profit or Loss

	30 June 2025	31 December 2024
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Financial assets at fair value through profit or loss:		
Fund investments, at fair value		
- Listed outside Hong Kong	9,137	7,303
- Unlisted	326,659	338,594
	335,796	345,897
Debt investments, at fair value		
- Listed in Hong Kong*	1,377	1,344
- Listed outside Hong Kong*	66,064	40,185
- Unlisted	3,028	1,345
	70,469	42,874
	406,265	388,771

* Listed as selectively marketed securities on The Stock Exchange of Hong Kong Limited and other overseas stock exchanges

The carrying amounts of the above financial assets are mandatorily measured at fair value through profit or loss in accordance with HKFRS 9.

	30 June 2025	31 December 2024
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Current assets – Financial assets at fair value through profit or loss		
- Listed fund investments	9,137	7,303
- Unlisted fund investments	277,935	295,184
- Listed debt investments	67,441	41,529
- Unlisted debt investments	3,028	1,345
	357,541	345,361
Non-current assets – Financial assets at fair value through profit or loss		
- Unlisted fund investments	48,724	43,410
	406,265	388,771

13. Trade and Other Receivables

Included in the Group's trade and other receivables as at 30 June 2025 are trade receivables of HK\$3,000 (31 December 2024: HK\$231,000) and, rental and other deposits of HK\$1,726,000 (31 December 2024: HK\$2,618,000).

The Group maintains a defined credit policy for its trade customers and the credit terms given vary according to the business activities. The financial strength of and the length of business relationship with the customers, on an individual basis, are considered in arriving at the respective credit terms. Overdue balances are reviewed regularly by Senior Management.

An ageing analysis of the trade receivables, based on the invoice date and net of impairment, is as follows:

	30 June 2025	31 December 2024
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Within 1 month	3	231

14. Trade and Other Payables

Included in the Group's trade and other payables as at 30 June 2025 are trade payables of HK\$40,000 (31 December 2024: HK\$53,000), contract liabilities of HK\$75,000 (31 December 2024: HK\$76,000) and other payables for investments of HK\$16,088,000 (31 December 2024: HK\$Nil).

An ageing analysis of the trade payables, based on the invoice date, is as follows:

	30 June 2025	31 December 2024
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Within 1 month	-	18
2 to 3 months	-	-
Over 3 months	40	35
	40	53

CHIEF EXECUTIVE OFFICER'S STATEMENT

OVERVIEW

The Group recorded a profit attributable to owners of the Company, for the six months ended 30 June 2025, of HK\$9.7 million which was a significant improvement from the HK\$14.2 million loss for the same period last year. This turnaround in the Group's profitability is the result of the actions taken by the Company to streamline the Group's operations and active cost containment, as well as improvement in the performance of the Group's investment portfolio.

Even though Hong Kong experienced a significant rebound in international visitor arrivals, mostly of short-stay leisure travel and in particular from Mainland China, the benefit to the retail market was mixed, trading challenges remained as shifts in spending patterns intensify. Despite the surge in inbound tourism in the first half of 2025, retail sales declined by 5.5% year-on-year. It has also been widely reported that the retail landscape is undergoing structural transformation, with traditional luxury retail facing the most headwinds. Hence, since the closure of its flagship store in August 2024, SWANK has not been able to identify any new potentials or opportunities for the Group's fashion retail business. During the period under review, the Company has continued to implement loss reduction initiatives and actively reduced fixed operating costs to deliver a near breakeven operating result for SWANK.

The investment portfolio contributed positively to the Group's overall financial performance, with the returns from the marketable securities investment remaining steady compared to the same period last year, despite ongoing volatility in global investment markets. In addition, a substantial fair value appreciation of the private equity funds investment, driven by recovery in selective equity markets of the underlying investment holdings, also helped to uplift the Group's total operating profit. These investment gains were partly offset by a HK\$2.1 million decline in the valuation of the Group's investment properties, as a result of the continual "softness" of the Hong Kong property market. The Company's investment strategy remains prudent amid market uncertainties and focuses on capital preservation and delivering consistent returns.

Since receiving the Provisional Basic Terms of Offer for Hilltop property from the Lands Department in July 2024, the Group has commenced and been focusing on advancing the road gazettal process for the improvement roadworks to be carried out on Hilltop Road and the surrounding areas. This procedural stage is a prerequisite for the execution of a new lease grant and is expected to take more than 18 months from the commencement of the process to complete.

FINANCIAL REVIEW

	Six months ended 30 June		
	2025	2024	Change
	HK\$'000	HK\$'000	+ve/(-ve)
Continuing Operations			
Revenue	17,680	43,620	(59%)
Retail of fashion wear and accessories	7,817	34,840	(78%)
Dividend income	3,633	5,062	(28%)
Interest income	6,230	3,718	68%
Profit/(Loss) from operations	11,866	(6,585)	280%
Fair value losses on investment properties, net	(2,100)	(1,100)	(91%)
Finance costs	(61)	(419)	85%
Profit/(Loss) for the period from continuing operations	9,705	(8,104)	220%
Loss for the period from discontinued operations	-	(6,089)	100%
Profit/(Loss) for the period (from continuing and discontinued operations)	9,705	(14,193)	168%
Earnings/(Loss) per share	HK 0.59 cents	HK (0.86) cents	

The Group's results from continuing operations were a profit of HK\$11,866,000 for the period ended 30 June 2025 as compared with a loss of HK\$6,585,000 for the same period of the previous year and are summarised as follows:

	Six months ended 30 June		
	2025	2024	Change
	HK\$'000	HK\$'000	+ve/(-ve)
- Continuing Operations			
Retail of fashion wear and accessories	(830)	(3,781)	78%
Investments	13,345	(857)	1657%
Unallocated corporate expenses, net	(649)	(1,947)	67%
Profit/(Loss) from operations	11,866	(6,585)	280%
- Discontinued operations			
Resort and recreational club operations	-	(6,089)	100%

The Group's fashion retail business, SWANK, reported reductions in both sales revenue of HK\$27,023,000 (or 78%) and gross profit (inclusive of the write-back of inventories allowances) of HK\$10,173,000 (or 58%) compared to the same period last year. The closure of the flagship store in Central in August 2024 and continuous weak customer spending on luxury fashion are the primary contributors to the substantial drop in SWANK's revenue. While the Lee Garden Two pop-up store, which opened in September 2024, added some new selling footage, this was offset by the closure of the store in Elements shopping mall in March 2025. Overall, the average total selling footage for the six months period ended 30 June 2025 was less than half of the same period in 2024. Online sales in the period under review also decreased by 71% compared to the first half of 2024, as the volume of online shopping post COVID continued to decline globally.

Significant effort and focus were placed on reducing aged stock, however with poor market sentiment, frequent discounts and active marketing had to be applied to help drive sales which put pressure on profit margin. Nevertheless, SWANK was able to achieve a gross profit margin of 94% (2024: 50%) for the period under review as a result of the write-back of prior year's inventories allowance for the aged stock sold and a decrease in inventory allowances due to lower amount of inventories held as at 30 June 2025. The total net amount of write-back was HK\$5,191,000 (2024: HK\$497,000).

The operating expenditures of SWANK were significantly lower than last year, achieved through various strategic actions, such as not continuing to operate stores which are unable to generate positive cashflow, reducing the purchase of new stock to keep inventory level low, streamlining manpower to reduce head office costs, and relocating to smaller office premises in September 2024. These actions helped to deliver reductions in store occupancy cost, advertising, promotion and visual merchandising expenses, logistics and staff costs and office rental. Hence, despite the significant decline in sales revenue, SWANK's operating loss was 78% lower than last year, at HK\$830,000 (2024: HK\$3,781,000) for the period ended 30 June 2025.

In the first six months of 2025, global investment markets, particularly the equity markets, remained highly volatile. However, the investment portfolio of the Group, primarily comprised of marketable bond and equity funds investments, was able to generate more than double the amount of net realised and unrealised gains (before general and administrative expenses and bank interest income) as compared to the same period last year, of HK\$18,372,000 (2024: net realised and unrealised gains of HK\$8,103,000). The gains included interest and dividend income of HK\$5,058,000 (2024: HK\$6,050,000), net losses on disposal of HK\$1,088,000 (2024: net gains on disposal of HK\$164,000) and net unrealised fair value gains of HK\$14,402,000 (2024: net unrealised fair value gains of HK\$1,889,000). While the discretionary investment portfolio managed by two (2024: three) international financial institutions delivered a lower return of HK\$4,340,000 (2024: HK\$12,328,000) for the period ended 30 June 2025, the decrease of HK\$7,988,000 (or 65%) was mainly due to a reduction in the size of the discretionary investment portfolio in the second half of 2024.

In addition, the performance of the Group's private equity fund investments in ASEAN China Investment Fund III L.P. ("ACIF III") and ASEAN China Investment Fund IV L.P. ("ACIF IV") had a major turnaround in the six months period under review and recorded an unrealised fair value gain of HK\$4,576,000 (2024: unrealised fair value loss of HK\$12,889,000), as a result of a recovery in some of the equity markets of ACIF III's and ACIF IV's underlying investment holdings. Overall, the Group's investments segment recorded a segment profit (after general and administrative expenses and bank interest income) of HK\$13,345,000 (2024: segment loss of HK\$857,000) for the six months ended 30 June 2025.

The Group's overall revenue and gross profit from continuing operations dropped by HK\$25,940,000 (or 59%) and HK\$9,090,000 (or 35%) respectively while overall gross profit margin increase to 97% (2024: 60%), primarily attributable to the decrease in sales revenue and write-back of prior year inventory allowances as detailed above for the fashion retail business.

The Group's other income and expenditure from continuing operations for the six months ended 30 June 2025 included:

- Other income of HK\$1,201,000, which was HK\$687,000 (or 134%) higher when compared to the HK\$514,000 in 2024, mainly comprising of (i) rental income of HK\$492,000 (2024: HK\$492,000) from the Group's investment property situated in Hong Kong and (ii) gain on dissolution of subsidiaries of HK\$429,000 (2024: HK\$Nil).
- Selling and distribution expenses of HK\$4,488,000, a 69% decrease compared to HK\$14,457,000 for 2024 is mainly attributable to:
 - Decrease in occupancy and staff costs from the closure of SWANK flagship store in August 2024;
 - Decrease in advertising, promotion and visual merchandising expenses, in line with Management's prudent spending; and
 - Reduction in online sales commission and credit card charges as a result of a decrease in both online and retail store sales for the period under review.
- Administrative expenses decreased by 25% to HK\$15,632,000 (2024: HK\$20,780,000), primarily attributable to:
 - Reduction in staff costs through streamlining of manpower;
 - Decrease in depreciation of right-of-use assets for the lease of new office premises and related building management fee as a result of lower monthly occupancy costs from September 2024; and

- Reduction in investment related expenses, including savings in investment advisory services fees and management fee for discretionary investment portfolio.
- “Other operating gains, net”, mainly comprised of net realised and unrealised fair value gains of HK\$13,314,000 (2024: net realised and unrealised fair value gains of HK\$2,053,000) from investment in financial instruments (excluding interest and dividend income which are included in “Revenue”).

In accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”), and with the advice from an independent and reputable valuer, the Group has valued the Hilltop property (the “Property”) (formerly occupied by the Group’s resort and recreational club operation) in Tsuen Wan, Hong Kong, based on its highest and best use, with reference to the Property having received approval to be rezoned for residential development, and after factoring in the uncertainty and timing of the remaining steps required to proceed with the redevelopment. The fair value of the Property as at 30 June 2025 was determined to be HK\$330,000,000 (31 December 2024: HK\$340,000,000). This reduction in valuation was mainly attributable to an overall decrease in market value of residential properties in Hong Kong and was recognised as other comprehensive loss for the period ended 30 June 2025. The amount is accumulated in the property revaluation reserve which had no impact on the Group’s consolidated statement of profit or loss for the period.

For the period ended 30 June 2025, the Group’s finance cost included interest on bank loans of HK\$Nil (2024: HK\$137,000) and interest expenses on lease liabilities of HK\$61,000 (2024: HK\$282,000). The decrease in interest on lease liabilities is mainly from the closure of SWANK flagship store in Central following the expiry of its lease in September 2024.

BUSINESS REVIEW

SWANK

In the first half of 2025, SWANK operated one store in Elements shopping mall, up until end of March 2025, a “pop-up” store in Lee Gardens Two, which will run until end of September 2025, and an outlet store in Horizon Plaza. The total revenue generated was approximately HK\$7.8 million which was 78% lower than the same period in 2024. The most significant sales reduction came from the closure of the Central flagship store in August 2024.

The Hong Kong retail market remained pressured by cautious consumer sentiment, evolving tourist spending patterns, and a strong Hong Kong dollar, which all contributed to reduced demand for high-end fashion. To navigate the persistent headwinds, SWANK implemented various creative selling approach and actively streamlined the operation to minimise fixed operating expenditures, hence narrowing the operating loss substantially by HK\$3 million (or 78%), compared to the same period last year, to achieve near breakeven of only a HK\$0.8 million loss.

The Board remains committed to closely monitoring Hong Kong's luxury fashion retail market conditions and SWANK's performance to continuously evaluate the future of the Group's fashion retail business.

Investments

The Group's investment in financial instruments mainly comprises of four categories: (A) Marketable Funds Investment, including unitized open-end fixed income and enhanced yield funds and money market investment; (B) Discretionary Investment Portfolios managed by two Financial Institutions under pre-agreed mandate and the control of the Company; (C) United States Dollar ("USD") Corporate Bonds; and (D) Other Investments, including Private Equity Funds. As of 30 June 2025, the total carrying value of the Group's investment portfolio in financial instruments was HK\$406,265,000 (31 December 2024: HK\$388,771,000), representing approximately 38.7% (31 December 2024: 37.5%) of the carrying value of the Group's total assets. The Group's investment in financial instruments returned a net gain of HK\$18,372,000 (2024: net gain of HK\$8,103,000) for the six months ended 30 June 2025 before general and administrative expenses.

While the global investment markets were choppy over the first six months of 2025, they managed to record a positive return year-to-date as at 30 June 2025, with the global fixed income market, represented by the Bloomberg Global Aggregate Total Return Index (currency hedged), gaining 2.8% and the global equity market, represented by the MSCI All Country World Index, gaining 10.0%. The short-lived turmoil stirred up by the US tariff policy in April 2025 had dampened the performance of the bond and stock markets temporarily, but they quickly recovered within a month after the US President Donald Trump made trade war truces with other nations. In addition, the stable inflation environment and a modest cool down of the employment market support the market expectation of interest rate cuts, bringing the US government 10-years treasury yield down 34.1 basis points to 4.228% as at 30 June 2025 from 4.569% as at 31 December 2024.

A. Marketable Funds Investment Portfolio

The marketable funds investment portfolio includes four primary investment strategies, namely money market investment, investment grade & high yield bond funds, enhanced yield funds and equity funds. The total carrying value of the Group's investment in this category was HK\$234,982,000 as at 30 June 2025 (31 December 2024: HK\$252,200,000), representing approximately 22.4% of the carrying value of the Group's total assets; and the asset allocation in this portfolio was 10.9% in money market investment, 60.8% in fixed income funds and 28.3% in enhanced yield funds. This category of the investment portfolio recorded a net gain of HK\$8,682,000 (or 3.2%) (2024: net gain of HK\$9,640,000) for the six months ended 30 June 2025. The net gain was attributable to HK\$5,817,000 of unrealised mark-to-market gain, HK\$679,000 of realised loss on disposal and HK\$3,544,000 of dividend received.

Investment Grade & High Yield Bond Funds

In this strategy, the Group held five fixed income funds which can be grouped into the categories of investment grade bond and high yield bond funds. As at 30 June 2025, the fair value of the Group's investment in this strategy was HK\$142,788,000, representing approximately 60.8% of the carrying value of the marketable funds investment portfolio and 13.7% of the carrying value of the Group's total assets. The net return on this investment was a HK\$5,484,000 gain (or 3.1%) for the six months ended 30 June 2025. Below is an individual fund under this strategy with fair value exceeding 5% of the carrying value of the Group's total assets.

PIMCO GIS- Income Fund

The PIMCO Income Fund is a portfolio that is actively managed and utilises a broad range of fixed income securities that seek to produce an attractive level of income with a secondary goal of capital appreciation. The fund (Institutional Income Class USD) has had a 5-year annualised return of 3.0% for the period of 2020 to 2024. As at 30 June 2025, the fair value of the Group's investment in this fund was HK\$54,252,000 (31 December 2024: HK\$53,109,000), representing approximately 5.2% of the carrying value of the Group's total assets. The net return of this fund was HK\$2,781,000 gain (or 5.2%) for the six months ended 30 June 2025, comprised of a HK\$1,142,000 unrealised mark-to-market gain and HK\$1,639,000 of dividend received.

Enhanced Yield Fund

As at 30 June 2025, the Group held six funds in this strategy with a fair value of HK\$66,586,000, representing approximately 28.3% of the carrying value of the marketable funds investment portfolio and 6.3% of the carrying value of the Group's total assets. This portfolio consisted of one China/Asia long/short credit fund, one private infrastructure fund, two private real estate funds and two private credit funds. The net return on investment was a HK\$2,350,000 gain (or 3.5%) for the six months ended 30 June 2025. There was no individual fund in this strategy that exceeded 5% of the carrying value of the Group's total assets.

B. Discretionary Investment Portfolios managed by Morgan Stanley Asia International Limited ("MS Portfolio") and LGT Bank (Hong Kong) ("LGT Portfolio")

MS Portfolio

Morgan Stanley ("MS") offers a bespoke asset allocation solution based upon its Global Investment Committee Model. The Asia Investment Management Services team leverages the extensive research, investment expertise and execution capabilities of MS to invest in traditional and sophisticated multi-asset, equity and fixed income funds, Exchange-Traded Funds ("ETF") and money market instruments. As of 30 June 2025, the total carrying value of the MS Portfolio was HK\$52,090,000 (31 December 2024: HK\$50,287,000) with a total of 24 holdings of funds and ETFs, representing approximately 5.0% of the carrying value of the Group's total assets. The asset allocation in the portfolio comprised of 7.3% in money market investment, 23.8% of fixed income funds, 61.5% of equity funds (including ETF)

and 7.4% other investments. The MS Portfolio has been set up to gradually spread risk with high flexibility to invest a significant proportion in Money Market Investment while awaiting suitable opportunities to reinvest in other asset classes. The MS Portfolio recorded a net gain of HK\$2,685,000 (or 4.9%) during the period under review.

LGT Portfolio

LGT offers a bespoke asset allocation solution based on recommendations from LGT's Investment Committee in Asia and dynamically incorporates monitoring of macroeconomic outlook, market conditions, and fundamentals of securities into the portfolio. Investments are mainly in investment grade corporate fixed income securities. As of 30 June 2025, the total market value of the LGT Portfolio was HK\$45,747,000 (31 December 2024: HK\$41,530,000), with 56 fixed income securities holdings, representing in total approximately 4.4% of the carrying value of the Group's total assets. The LGT Portfolio has been set up to diversify risk and reduce volatility, thus with fixed income investment as the dominant asset class. The LGT Portfolio recorded a net gain of HK\$1,655,000 (or 3.4%) during the period under review.

C. Directly held USD-denominated Corporate Bond

To better protect the Group's cash return from the risk of interest rate cut, the Group newly purchased two USD-denominated investment grade corporate bonds in February 2025, namely Wells Fargo & Co Medium 4.808% Term Notes and Ventas Realty LP 4% Notes. Coupled with the existing corporate bond investment of Airport Authority Hong Kong, the total carrying value of this strategy was HK\$24,722,000 as of 30 June 2025 (31 December 2024: HK\$1,344,000), representing approximately 2.3% of the carrying value of the Group's total assets. This strategy recorded a net gain of HK\$702,000 (or 2.9%) (2024: HK\$20,000 net gain), comprised of an unrealised fair value gain of HK\$311,000 and coupon income of HK\$391,000 for the six months ended 30 June 2025.

D. Other Fund Investments - Private Equity Funds

The total carrying value of the Group's investment in this category was HK\$48,724,000 as of 30 June 2025 (31 December 2024: HK\$43,410,000) and recorded a net gain of HK\$4,648,000 for the six months ended 30 June 2025 (2024: a net loss of HK\$12,752,000).

ASEAN China Investment Fund III L.P. ("ACIF III")

The Group has made an investment commitment of US\$4,000,000 (equivalent to HK\$31,120,000) in ACIF III for a 1.532% shareholding. ACIF III is managed out of Singapore by United Overseas Bank Venture Management Private Limited ("UOBVM") and targets investments in growth-oriented companies operating in East and Southeast Asia countries and China. As of 30 June 2025, the Group invested a total of HK\$24,350,000 in this fund and its capital value was HK\$19,845,000 based on the management accounts UOBVM has provided. The total return on investment of ACIF III was a HK\$3,632,000 net gain for the six months ended 30 June 2025 (2024: net loss of HK\$10,842,000), wholly

comprised of HK\$3,632,000 fair value gain. This net gain was mainly attributable to the strong share price recovery of listed securities holdings of two Mainland Chinese healthcare companies. ACIF III is viewed as a long-term investment that is to diversify the Group's investment portfolio with exposure to a wider range of potentially profitable private companies managed by a team of experienced Managers with good track records. ACIF III has delivered a satisfactory 12.68% net internal rate of return since inception.

ASEAN China Investment Fund IV L.P. ("ACIF IV")

With the success of ACIF III, the Group has made another capital commitment of US\$4,000,000 (equivalent to HK\$31,120,000) in ACIF IV for a 1.649% shareholding. ACIF IV is an exempted limited partnership incorporated in the Cayman Islands on 20 February 2018 and a closed-end private equity fund. ACIF IV is also managed out of Singapore by the UOBVM team, and is a "follow-on" fund to its predecessors (ACIF I, ACIF II and ACIF III) and continues the focus of investing primarily via minority stakes in expansion stage capital opportunities through privately negotiated equity and equity related investments in small and medium sized growing companies that benefit from the continuing expansion of trade and investment among the ASEAN member-states and China, and their respective overseas trading partners. As at 30 June 2025, the Group invested a total of HK\$30,683,000 in ACIF IV and its capital value was HK\$28,879,000 based on the management accounts UOBVM has provided. The total return of the Group's investment in ACIF IV was a net gain of HK\$1,016,000 for the six months ended 30 June 2025 (2024 net loss: HK\$1,910,000). This net gain was predominantly the result of an increase in the valuation of the fund's unlisted securities holdings in a Mainland Chinese healthcare firm, an Indonesian biotechnology company and a Malaysian food and beverage firm. Similar to ACIF III, ACIF IV is also viewed as a long-term investment to diversify the Group's investment portfolio.

Other Group Assets

The Group's other investment assets consist of Hilltop property and investment properties.

The Land Exchange application process for Hilltop property continued to progress with the support of a number of external consultants of relevant expertise to follow up and work closely with various government departments. It is currently in the process of preparing for road gazettal for the improvement roadworks of Hilltop Road and surrounding area.

MATERIAL ACQUISITION AND DISPOSAL OF INVESTMENTS

The Group had no material acquisition and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2025.

TREASURY MANAGEMENT/POLICIES

As part of the ordinary activities of the Group, Treasury actively projects and manages the cash balance and borrowing requirements of the Group to ensure sufficient funds are available to meet the Group's commitments and day-to-day operations. The Group's liquidity and financial requirements are reviewed regularly. To minimise risk, the Group continues to adopt a prudent approach regarding cash management and foreign currency exposure. Treasury is permitted to invest cash in short-term deposits subject to specified limits and guidelines that are also in place for forward foreign exchange contracts which are utilised when considered appropriate to mitigate foreign exchange exposures.

The Group purchases merchandise from overseas which are mainly denominated in Euro, with insignificant amounts in Japanese Yen, British Pounds and United States Dollars, and a relatively small proportion of the investment portfolio is denominated in currencies other than United States Dollars and Hong Kong Dollars. The Group has undertaken appropriate scale of hedging to protect its foreign currency exposure and will from time to time review its position and market conditions to determine the amount of hedging (if any) that is required. Typically, the Group purchases foreign currency forward contracts and foreign cash amounting to approximately half of its anticipated merchandise purchase requirements in each season for its fashion business.

LIQUIDITY AND FINANCIAL POSITION

As at 30 June 2025, the Group was in a solid financial position with cash and non-pledged deposit holdings of HK\$247,492,000 (31 December 2024: HK\$236,464,000). Total lease liabilities amounted to HK\$1,718,000 (31 December 2024: HK\$3,158,000) with repayment of HK\$1,575,000 (31 December 2024: HK\$2,323,000) falling due within one year. As previously reported and elaborated above, the Group has invested a substantial proportion of the cash and non-pledged deposit holdings in unitized open-end equity and bond funds since the second half of 2018 and continued to stay invested. The Group will retain sufficient cash deposits for its regular operating activities in Treasury and has chosen to invest in marketable funds to ensure that there is more than adequate liquidity.

As at 30 June 2025, the Group's gearing ratio (a comparison of total borrowings (HK\$Nil for both period ended 30 June 2025 and year ended 31 December 2024) and lease liabilities with equity attributable to equity holders of the Company) was 0.2% (31 December 2024: 0.3%) and is in a sound financial position with its current ratio (current assets over current liabilities) standing at 22.6 times (31 December 2024: 46.3 times). This favorable financial position together with tight-cost management will provide support for the long-term prospects of the Group.

As at 30 June 2025, the Group's bank balances were denominated primarily in United States Dollars and Hong Kong Dollars and exchange differences were reflected in the unaudited condensed consolidated financial statements.

PLEDGE OF ASSETS

As at 30 June 2025, HK\$10,000,000 of the Group's fixed deposits (31 December 2024: HK\$10,000,000) were pledged to bank to secure trade banking facilities of up to HK\$30,000,000 (31 December 2024: HK\$30,000,000) and foreign exchange facilities.

IMPORTANT EVENTS AFTER THE FINANCIAL PERIOD

There have been no important events significantly affecting the finances and future prospects of the Group that have occurred since the end of the financial period.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2025.

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company complied with all Code Provisions of the Corporate Governance Code set out in Appendix C1 of the Listing Rules throughout the six months ended 30 June 2025.

BOARD OF DIRECTORS

As at the date of this announcement, the Executive Director is Mrs. Penny Soh Peng CROSBIE-WALSH (Chief Executive Officer), the Non-executive Director is Mr. Hung Han WONG (Non-executive Chairman) and the Independent Non-executive Directors are Mr. Kin Wing CHEUNG, Ms. Imma Kit Sum LING and Mr. Hin Fun Anthony TSANG.

By order of the Board
Penny Soh Peng CROSBIE-WALSH
Executive Director
and Chief Executive Officer

Hong Kong, 26 August 2025