



CONTINENTAL
HOLDINGS LIMITED
恒和珠寶集團有限公司

INTERIM REPORT 2024/2025
二零二四至二零二五年中期報告

(Stock Code: 00513)
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(In the case of inconsistency, the English shall prevail over the Chinese text)

The board of directors (the “Board”) of Continental Holdings Limited (the “Company”) announces the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 31 December 2024 together with the comparative figures for the corresponding period in 2023 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Unaudited Six months ended 31 December 2024	2023
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	4	329,326	200,183
Cost of sales		(267,112)	(150,295)
Gross profit		62,214	49,888
Selling and distribution costs		(9,263)	(9,138)
Administrative expenses		(51,508)	(56,106)
Other income, other gains and losses, net		3,992	5,406
Change in fair value of financial assets at fair value through profit or loss		696	(412)
Finance costs	5	(26,166)	(25,122)
Share of results of associates		73	(19)
Loss before income tax	6	(19,962)	(35,503)
Income tax expense	7	(380)	(86)
Loss for the period		(20,342)	(35,589)
Other comprehensive income for the period, net of tax			
Items that may be subsequently reclassified to profit or loss:			
Change in fair value of debt financial instruments at fair value through other comprehensive income		(62)	105
Reclassified to profit or loss upon disposal of debt financial instruments at fair value through other comprehensive income		105	–
Exchange differences on translation of foreign operations		(3,458)	6,348
Items that will not be subsequently reclassified to profit or loss:			
Change in fair value of equity instruments at fair value through other comprehensive income		960	(2,043)
Other comprehensive income for the period, net of tax		(2,455)	4,410
Total comprehensive income for the period		(22,797)	(31,179)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	Unaudited	
	Six months ended	
	31 December	
	2024	2023
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the period attributable to:		
Owners of the Company	(16,968)	(31,677)
Non-controlling interests	(3,374)	(3,912)
	<u>(20,342)</u>	<u>(35,589)</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	(19,508)	(27,287)
Non-controlling interests	(3,289)	(3,892)
	<u>(22,797)</u>	<u>(31,179)</u>
	<i>HK cents</i>	<i>HK cents</i>
Loss per share for loss attributable to the owners of the Company		
	9	
Basic	<u>(2.48)</u>	<u>(4.64)</u>
Diluted	<u>(2.48)</u>	<u>(4.64)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited At 31 December 2024 HK\$'000	Audited At 30 June 2024 HK\$'000
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		24,809	25,688
Right-of-use assets		29,773	32,445
Investment properties	10	1,990,400	1,990,400
Intangible assets		7,268	7,304
Mining right	11	479,530	484,054
Interests in associates	12	—	21,253
Interests in joint ventures	13	1,038	1,038
Financial assets at fair value through other comprehensive income		28,923	22,003
Financial assets at fair value through profit or loss		5,646	10,067
Deferred tax assets		840	840
		<u>2,568,227</u>	<u>2,595,092</u>
Current assets			
Properties under development and properties for sales	14	341,332	485,123
Inventories		146,502	155,681
Trade receivables	15	49,667	61,399
Prepayments, deposits and other receivables		30,556	17,933
Financial assets at fair value through profit or loss		3	2,521
Cash and cash equivalents		59,387	49,156
		<u>627,447</u>	<u>771,813</u>
Current liabilities			
Trade payables	16	(58,961)	(59,770)
Other payables and accruals		(45,772)	(37,714)
Contract liabilities		(284)	(343)
Bank loans	17	(879,727)	(882,506)
Lease liabilities		(5,196)	(4,923)
Due to related companies	19	(6,805)	(7,379)
Due to joint ventures	13	(1,036)	(1,036)
Provision for tax		(2,184)	(1,925)
		<u>(999,965)</u>	<u>(995,596)</u>
Net current liabilities		<u>(372,518)</u>	<u>(223,783)</u>
Total assets less current liabilities		2,195,709	2,371,309

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

		Unaudited At 31 December 2024 <i>HK\$'000</i>	Audited At 30 June 2024 <i>HK\$'000</i>
	<i>Notes</i>		
Non-current liabilities			
Bank loans	17	–	(153,730)
Lease liabilities		(5,664)	(7,834)
Due to non-controlling interests	18	(86,429)	(80,670)
Due to related companies	19	(34,270)	(30,047)
Loan from a controlling shareholder	20	(4,240)	(4,280)
Deferred tax liabilities		(113,073)	(114,089)
		<u>(243,676)</u>	<u>(390,650)</u>
Net assets		<u>1,952,033</u>	<u>1,980,659</u>
EQUITY			
Share capital	21	560,673	560,673
Reserves		<u>1,236,833</u>	<u>1,256,806</u>
Equity attributable to the owners of the Company		1,797,506	1,817,479
Non-controlling interests		<u>154,527</u>	<u>163,180</u>
Total equity		<u>1,952,033</u>	<u>1,980,659</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months ended 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash generated from/(used in) operating activities	137,546	(27,327)
Net cash generated from investing activities	22,703	5,806
Net cash used in financing activities	(151,354)	(6,727)
	<hr/>	<hr/>
Increase/(decrease) in cash and cash equivalents	8,895	(28,248)
Cash and cash equivalents at 1 July	49,156	90,695
Effect of foreign exchange rate changes, net	1,336	(810)
	<hr/>	<hr/>
Cash and cash equivalents at 31 December	<u>59,387</u>	<u>61,637</u>
Analysis of balance of cash and cash equivalents:		
Cash and bank balance	<u>59,387</u>	<u>61,637</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK\$'000	Share option reserve HK\$'000	Non- distributable reserve HK\$'000	Other reserve HK\$'000	Special reserve HK\$'000	Capital contribution reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Assets revaluation reserve HK\$'000	FVTOCI reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
Balance at 1 July 2024	560,673	5,200	273,606	(7,396)	(2,103)	28,567	(33,702)	36,385	(6,302)	962,551	1,817,479	163,180	1,980,659
Lapsed of share option upon expired	-	(470)	-	-	-	-	-	-	-	470	-	-	-
Changes in ownership interest in a subsidiary without change in control	-	-	-	(363)	-	-	(102)	-	-	-	(465)	(5,364)	(5,829)
Transaction with owners	-	(470)	-	(363)	-	-	(102)	-	-	470	(465)	(5,364)	(5,829)
Loss for the period	-	-	-	-	-	-	-	-	-	(16,968)	(16,968)	(3,374)	(20,342)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(3,543)	-	-	-	(3,543)	85	(3,458)
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	898	-	898	-	898
Reclassified to profit or loss upon disposal of debt financial instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	105	-	105	-	105
Total comprehensive income	-	-	-	-	-	-	(3,543)	-	1,003	(16,968)	(19,508)	(3,289)	(22,797)
Balance at 31 December 2024	560,673	4,730	273,606	(7,759)	(2,103)	28,567	(37,347)	36,385	(5,299)	946,053	1,797,506	154,527	1,952,033
Balance at 1 July 2023	560,673	6,609	273,606	(7,396)	(2,103)	28,567	(31,204)	36,385	(3,844)	1,218,444	2,079,737	206,196	2,285,933
Loss for the period	-	-	-	-	-	-	-	-	-	(31,677)	(31,677)	(3,912)	(35,589)
Other comprehensive income:													
Exchange differences on translation of foreign operations	-	-	-	-	-	-	6,328	-	-	-	6,328	20	6,348
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	(2,043)	-	(2,043)	-	(2,043)
Change in fair value of debt financial instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	105	-	105	-	105
Total comprehensive income	-	-	-	-	-	-	6,328	-	(1,938)	(31,677)	(27,287)	(3,892)	(31,179)
Balance at 31 December 2023	560,673	6,609	273,606	(7,396)	(2,103)	28,567	(24,876)	36,385	(5,782)	1,186,767	2,052,450	202,304	2,254,754

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and with the applicable disclosure requirements of Appendix D2 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

In preparing the condensed consolidated interim financial statements, the directors of the Company considered that the Group is able to continue as a going concern notwithstanding that the Group incurred a loss attributable to the owners of the Company of approximately HK\$16,968,000 during the period, and as of that date, the Group’s current liabilities exceeded its current assets by approximately HK\$372,518,000. As at 31 December 2024, the Group had bank loans of HK\$879,727,000 that were classified as current liabilities while the Group only maintained its cash and cash equivalents of HK\$59,387,000.

When assessing the appropriateness of the use of the going concern basis for the preparation of the condensed consolidated interim financial statements, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and the Group’s available source of financing, having regard to the following plans and measure, in assessing whether the Group will have sufficient financial resources to continue as a going concern:

1. Subsequent to reporting date, the Group continued to handover completed units of properties for sale to buyers, with a total consideration of approximately HK\$60,200,000, together with remaining properties are expected to be sold at a margin sufficient to cover relevant bank loans outstanding balance. Any surplus funds after repaying the bank loans will be used as additional working capital for the Group;
2. The directors of the Company expected that the bank loans classified as current liabilities could be repaid as scheduled or renewed upon expiry, based on the Group’s past good track records of compliance, including timely settlement and the availability of sufficient assets as collaterals. In addition, the Group has undrawn banking facilities over HK\$283,000,000 for working capital purpose; and
3. The Group will continue its effort to enhance its operations and implement measures to tighten cost control over various operating expenses to improve its cash flows from operations to strengthen the working capital of the Group.

In the opinion of the directors, taking into account the above plans and measures, the Group will have sufficient working capital to finance its operation and meet its financial obligations as and when they fall due. Accordingly, the directors consider it is appropriate to prepare the condensed consolidated interim financial statements on a going concern basis.

1. BASIS OF PREPARATION (CONTINUED)

Should the Group fail to achieve the above plans and measures, it might not be able to continue as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the condensed consolidated interim financial statements.

The condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") on the historical cost basis except for the investment properties and certain financial assets, which are measured at fair values.

The accounting policies and basis of preparation adopted in the preparation of the condensed consolidated interim financial statements are consistent with those used in the Group's annual financial statements for the year ended 30 June 2024.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements of the Group for the year ended 30 June 2024. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The financial information relating to the year ended 30 June 2024 that is included in the condensed consolidated interim financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those 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) (the "Companies Ordinance") is as follows:

The Company has delivered the financial statements for the year ended 30 June 2024 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company's auditor has reported on those 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 section 406(2), 407(2) or (3) of the Companies Ordinance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) New amended standards adopted by the Group

In the current interim period, the Group has applied, for the first time, the following new and revised HKFRSs and amendments which are relevant to and effective for the Group's interim financial statements for interim period beginning on 1 July 2024, issued by the HKICPA.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (the "2020 Amendments")
Amendments to HKAS 1	Non-current Liabilities with Covenants (the "2022 Amendments")
HK Interpretation 5 (Revised)	Presentation of Financial Statement – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

(b) New standards and amendments to standards issued but are not yet effective

The following new and revised HKFRSs, potentially relevant to the Group's financial statements, that have been issued, but are not yet effective in the financial period of which the condensed consolidated interim financial statements were prepared, have not been early adopted by the Group.

Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined by available for adoption

3. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to assess performance and allocate resources.

The chief operating decision-maker has been identified as the Company's executive directors. The executive directors have identified the Group's four (2023: four) business lines as operating segments.

The Group has identified the following reportable segments:

- Jewellery Business;
- Property investment and development;
- Mining operation; and
- Investment

Each of these operating segments is managed separately as each of the product and business lines requires different resources as well as marketing approaches. All inter-segment transfers, if any, are carried out at arm's length prices.

		Unaudited Six months ended 31 December									
		Jewellery Business		Property investment and development		Mining operation		Investment		Consolidated	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment Revenue:											
Sales to/revenue from external parties		<u>162,355</u>	<u>187,901</u>	<u>165,882</u>	<u>10,383</u>	<u>–</u>	<u>–</u>	<u>1,089</u>	<u>1,899</u>	<u>329,326</u>	<u>200,183</u>
Segment results		<u>7,759</u>	<u>(8,804)</u>	<u>(21,008)</u>	<u>(20,250)</u>	<u>(6,987)</u>	<u>(4,590)</u>	<u>2,379</u>	<u>1,061</u>	<u>(17,857)</u>	<u>(32,583)</u>
Unallocated expenses										(973)	(1,080)
Finance costs										<u>(1,132)</u>	<u>(1,840)</u>
Loss before income tax										<u>(19,962)</u>	<u>(35,503)</u>

4. REVENUE

Revenue from the Group's principal activities during the period is as follows:

	Unaudited Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Revenue from contracts with customers		
Timing of revenue recognised for sales of goods – at a point in time		
– Revenue from jewellery business	162,355	187,901
– Revenue from properties investment and development	152,886	–
Revenue from other sources		
Rental income	12,996	10,383
Interest income	331	1,044
Dividend income from investments	758	855
	<u>329,326</u>	<u>200,183</u>

5. FINANCE COSTS

	Unaudited Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Interest charges on:		
Bank loans	27,183	33,083
Interest on lease liabilities	360	404
Imputed interest expenses arising from amount due to a related company	325	670
	<u>27,868</u>	<u>34,157</u>
Total borrowing costs		
	<u>27,868</u>	<u>34,157</u>
Less: Interests capitalised in		
– properties under development (<i>note 14</i>)	(1,702)	(9,035)
	<u>26,166</u>	<u>25,122</u>

6. LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging/(crediting):

	Unaudited Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Cost of inventories sold	267,112	150,295
Depreciation of		
– Property, plant and equipment	1,686	2,286
– Right-of-use assets	2,991	2,992
Low-value assets leases charges	409	485
Provision for inventories*	895	237
Fair value loss/(gain) on derivative financial instruments		
– forward currency contracts	–	(31)
Net foreign exchange loss/(gain)	1,480	(247)
Gain on disposal of property, plant and equipment	(68)	(32)
Provision for expected credit loss on trade receivables	741	782
Written off of property, plant and equipment	177	–
	<u>267,112</u>	<u>150,295</u>

* *Provision for inventories was included in “cost of sales”*

7. INCOME TAX EXPENSE

The amount of income tax expense charged to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Unaudited Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Current tax		
Hong Kong	372	139
Under/(over) provision in prior years	41	(18)
	<u>413</u>	<u>121</u>
Deferred taxation		
People's Republic of China	(33)	(35)
Total income tax expense	<u>380</u>	<u>86</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

8. DIVIDENDS

The Board does not recommend any payment of an interim dividend for the six months ended 31 December 2024 (2023: Nil).

9. LOSS PER SHARE

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

	Unaudited	
	Six months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
Loss attributable to the owners of the Company for the purpose of basic loss per share	(16,968)	(31,677)
	Number of shares	
	2024	2023
Weighted average number of ordinary shares for the purpose of basic loss per share	683,118,258	683,118,258
Effect of dilutive potential ordinary shares in respect of share option	—	—
Weighted average number of ordinary shares for the purpose of diluted loss per share	683,118,258	683,118,258

The calculation of basic loss per share attributable to the owners of the Company for the six months ended 31 December 2024 was based on the loss attributable to the owners of the Company of HK\$16,968,000 (2023: loss of HK\$31,677,000) and on the weighted average of 683,118,258 (2023: 683,118,258) ordinary shares in issue during the period.

For the six months ended 31 December 2024 and 2023, the computation of diluted loss per share did not assume the exercise of share option as they were anti-dilutive.

10. INVESTMENT PROPERTIES

	Unaudited At 31 December 2024 HK\$'000	Audited At 30 June 2024 HK\$'000
Opening carrying amount	1,990,400	2,078,100
Additions	–	238
Net loss from fair value adjustments	–	(87,938)
	<u>1,990,400</u>	<u>1,990,400</u>

As at 31 December 2024, the Group's investment properties with carrying amount of HK\$1,990,400,000 (30 June 2024: HK\$1,990,400,000) were pledged to secure certain bank loans granted to the Group.

11. MINING RIGHT

	Unaudited At 31 December 2024 HK\$'000	Audited At 30 June 2024 HK\$'000
Opening net carrying amount	484,054	477,531
Reversal of impairment for the period/year	–	9,406
Exchange realignment	(4,524)	(2,883)
	<u>479,530</u>	<u>484,054</u>
Closing net carrying amount	479,530	484,054
Gross carrying amount	887,686	896,060
Accumulated amortisation	(4,018)	(4,056)
Accumulated provision of impairment	(404,138)	(407,950)
	<u>479,530</u>	<u>484,054</u>
Net carrying amount	479,530	484,054

12. INTERESTS IN ASSOCIATES

	Unaudited At 31 December 2024 HK\$'000	Audited At 30 June 2024 HK\$'000
Share of net assets	3,898	25,151
Provision for impairment	(3,898)	(3,898)
	<u>—</u>	<u>21,253</u>

As of 31 December 2024, approximately HK\$21,327,000 of the total net assets of a principal associate of Group ceased to be classified as an investment in associates. It was reclassified as financial assets measured at fair value through other comprehensive income.

13. INTERESTS IN JOINT VENTURES

	Unaudited At 31 December 2024 HK\$'000	Audited At 30 June 2024 HK\$'000
Share of net assets	<u>1,038</u>	<u>1,038</u>
Due to joint ventures	<u>(1,036)</u>	<u>(1,036)</u>

The amounts due are unsecured, interest-free and repayable on demand.

14. PROPERTIES UNDER DEVELOPMENT AND PROPERTIES FOR SALES

	Unaudited At 31 December 2024 HK\$'000	Audited At 30 June 2024 HK\$'000
Properties under development	212,631	210,871
Properties for sales	128,701	274,252
	<u>341,332</u>	<u>485,123</u>

14. PROPERTIES UNDER DEVELOPMENT AND PROPERTIES FOR SALES (CONTINUED)

As at 31 December 2024, properties under development amounting to approximately HK\$212,631,000 (30 June 2024: HK\$210,871,000) were not expected to be realised within the next twelve months from the end of the reporting date.

As at 31 December 2024, the Group's properties under development and properties for sales with aggregate net carrying amounts of approximately HK\$341,332,000 (30 June 2024: HK\$485,123,000) were pledged to secure certain bank loans granted to the Group.

15. TRADE RECEIVABLES

The Group normally grants credit terms to its customers according to industry practice together with consideration of their creditability, repayment history and years of establishment. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are regularly reviewed by senior management.

An ageing analysis of trade receivables, net of provision, as at the reporting date, based on the date of recognition of the sale, is as follows:

	0-30 days <i>HK\$'000</i>	31-60 days <i>HK\$'000</i>	61-90 days <i>HK\$'000</i>	Over 90 days <i>HK\$'000</i>	Total <i>HK\$'000</i>
Unaudited balance at 31 December 2024	<u>9,365</u>	<u>23,650</u>	<u>13,920</u>	<u>2,732</u>	<u>49,667</u>
Audited balance at 30 June 2024	<u>24,993</u>	<u>18,766</u>	<u>14,611</u>	<u>3,029</u>	<u>61,399</u>

16. TRADE PAYABLES

The credit terms of trade payables vary according to the terms agreed with different suppliers. The ageing analysis of trade payables of the Group as at the reporting date, based on the invoice dates, is as follows:

	0-30 days <i>HK\$'000</i>	31-60 days <i>HK\$'000</i>	61-90 days <i>HK\$'000</i>	Over 90 days <i>HK\$'000</i>	Total <i>HK\$'000</i>
Unaudited balance at 31 December 2024	<u>14,932</u>	<u>5,213</u>	<u>12,641</u>	<u>26,175</u>	<u>58,961</u>
Audited balance at 30 June 2024	<u>17,676</u>	<u>9,468</u>	<u>8,281</u>	<u>24,345</u>	<u>59,770</u>

17. BANK LOANS

At 31 December 2024, the Group's bank loans is as follows:

	Unaudited At 31 December 2024 <i>HK\$'000</i>	Audited At 30 June 2024 <i>HK\$'000</i>
Current Liabilities		
Portion of bank loans due for repayment within one year		
– Guaranteed	31,962	20,354
– Secured and guaranteed	<u>813,218</u>	<u>169,368</u>
	845,180	189,722
Portion of bank loans due for repayment after one year which contain a repayable on demand clause		
– Secured and guaranteed	<u>34,547</u>	<u>692,784</u>
	<u>879,727</u>	<u>882,506</u>
Non-current liabilities		
Portion of bank loans due for repayment after one year		
– Secured and guaranteed	<u>–</u>	<u>153,730</u>
	<u>–</u>	<u>153,730</u>
At 31 December 2024, the bank loans were scheduled to repay as follows:		
Repayable within one year	845,180	189,722
Repayable in the second year	7,348	815,593
Repayable in the third to fifth year, inclusive	<u>27,199</u>	<u>30,921</u>
	<u>879,727</u>	<u>1,036,236</u>

At 31 December 2024, the Group's bank loans facilities were secured/guaranteed by the followings:

- (a) legal charges over the Group's investment properties, properties under development and properties for sales, certain property, plant and equipment and right-of-use assets;
- (b) corporate guarantees executed by the Company and non-controlling interest respectively;

17. BANK LOANS (CONTINUED)

- (c) ordinary shares of an indirectly owned subsidiary of the Company;
- (d) assignment of rental income of certain investment properties; and
- (e) assignment of sales proceeds of properties under development and properties for sales

The bank loans facilities of the Group denominated in Hong Kong Dollar of HK\$862,766,000 (30 June 2024: HK\$1,024,440,000) and US Dollar in the equivalent amount of HK\$16,961,000 (30 June 2024: HK\$11,796,000) have floating interest rates ranging from 4.79% to 6.89% (30 June 2024: 5.05% to 8.5%) per annum.

18. DUE TO NON-CONTROLLING INTERESTS

	Unaudited At 31 December 2024 HK\$'000	Audited At 30 June 2024 HK\$'000
Non-current liabilities		
Due to non-controlling interests	86,429	80,670

The amounts due are unsecured, interest free and not repayable within the next twelve months.

19. DUE TO RELATED COMPANIES

	Unaudited At 31 December 2024 HK\$'000	Audited At 30 June 2024 HK\$'000
Current liabilities		
Due to related companies (<i>note (a)</i>)	6,805	7,379
Non-current liabilities		
Due to related companies (<i>note (b)</i>)	34,270	30,047

- (a) The amount due to related companies is unsecured, interest-free and due for repayment within the next twelve months from the reporting date.
- (b) The amounts due to related companies are unsecured, interest-free and not repayable within the next twelve months from the reporting date.

20. LOAN FROM A CONTROLLING SHAREHOLDER

	Unaudited At 31 December 2024 HK\$'000	Audited At 30 June 2024 HK\$'000
Non-current liabilities		
Loan from a controlling shareholder	4,240	4,280

As at 31 December 2024, a loan of RMB4,000,000 (equivalent to approximately HK\$4,240,000) (30 June 2024: RMB4,000,000 (equivalent to approximately HK\$4,280,000)) is advanced from Ms. Cheng Siu Yin, Shirley and is unsecured, interest-free and due for repayment on 25 October 2026.

21. SHARE CAPITAL

	Number of ordinary shares	Total HK\$'000
Issued and fully paid:		
At 30 June 2024 and 31 December 2024	683,118,258	560,673

There were no movements in share capital during the six months ended 31 December 2024.

22. SHARE OPTION SCHEME

The Company adopted a share option scheme on 13 July 2010 (the “2010 Share Option Scheme”), which has been expired on 12 July 2020. Therefore, the Company adopted a new share option scheme on 22 December 2020 (the “2020 Share Option Scheme”). No share option has been granted under the 2020 Share Option Scheme since it has been adopted.

Details of the outstanding share options under 2010 Share Option Scheme are as below:

As at 31 December 2024

Date of grant	Exercisable period	Exercise price per share HK\$	Number of share options				
			At the beginning of the period	Granted during the period	Exercised during the period	Lapsed during the period	At the end of the period
25 July 2014	25 July 2014 to 24 July 2024	1.21	1,000,000	–	–	(1,000,000)	–
7 July 2015	7 July 2015 to 6 July 2025	2.45	4,000,000	–	–	–	4,000,000
3 November 2016	3 November 2016 to 2 November 2026	1.49	4,000,000	–	–	–	4,000,000
22 June 2020	22 June 2020 to 21 June 2030	0.52	1,200,000	–	–	–	1,200,000
			10,200,000	–	–	(1,000,000)	9,200,000

22. SHARE OPTION SCHEME (CONTINUED)

As at 30 June 2024

Date of grant	Exercisable period	Exercise price per share HK\$	Number of share options				
			At the beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	At the end of the year
19 June 2014	19 June 2014 to 18 June 2024	1.38	2,000,000	–	–	(2,000,000)	–
25 July 2014	25 July 2014 to 24 July 2024	1.21	1,000,000	–	–	–	1,000,000
7 July 2015	7 July 2015 to 6 July 2025	2.45	4,000,000	–	–	–	4,000,000
3 November 2016	3 November 2016 to 2 November 2026	1.49	4,000,000	–	–	–	4,000,000
22 June 2020	22 June 2020 to 21 June 2030	0.52	1,200,000	–	–	–	1,200,000
			<u>12,200,000</u>	<u>–</u>	<u>–</u>	<u>(2,000,000)</u>	<u>10,200,000</u>

During the six months ended 31 December 2024, 1,000,000 options were lapsed, and no option were granted and exercised (2023: Nil).

Weighted average exercise price of outstanding share options is HK\$1.78 (30 June 2024: HK\$1.72) and the weighted average remaining contractual life of outstanding share options is approximately 1.5 years (30 June 2024: 2 years).

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The following table gives information about how the fair values of these financial assets and liabilities are determined, as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 : quoted prices (unadjusted) in active market for identical assets;
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the instruments and derivatives, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 : inputs for the instruments that are not based on observable market data (unobservable inputs).

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

The level in the fair value hierarchy within which the financial assets and liabilities is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement. The financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 31 December 2024				
Financial assets at fair value through other comprehensive income:				
– Unlisted equity investments in Hong Kong	–	21,327	–	21,327
– Listed equity investments in Hong Kong	7,306	–	–	7,306
– Listed equity investments in elsewhere	290	–	–	290
Financial assets at fair value through profit or loss:				
– Listed equity securities in Hong Kong	3	–	–	3
– Investment fund in Hong Kong	–	5,646	–	5,646
	<u>7,599</u>	<u>26,973</u>	<u>–</u>	<u>34,572</u>
As at 30 June 2024				
Financial assets at fair value through other comprehensive income:				
– Listed equity investments in Hong Kong	16,956	–	–	16,956
– Listed equity investments in elsewhere	499	–	–	499
– Listed bonds in Hong Kong	2,298	–	–	2,298
– Listed bonds in elsewhere	2,250	–	–	2,250
Financial assets at fair value through profit or loss:				
– Listed equity securities in Hong Kong	2,505	–	–	2,505
– Investment fund in Hong Kong	–	5,795	–	5,795
– Investment fund in elsewhere	–	4,272	–	4,272
– Derivative financial instruments	–	16	–	16
	<u>24,508</u>	<u>10,083</u>	<u>–</u>	<u>34,591</u>

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (30 June 2024: Nil).

24. CAPITAL COMMITMENTS

At reporting date, the Group had outstanding capital commitments as follows:

	Unaudited At 31 December 2024 HK\$'000	Audited At 30 June 2024 HK\$'000
Contracted but not provided for:		
Investment properties	<u>–</u>	<u>–</u>

25. LEASE ARRANGEMENTS

As lessor

The Group leases certain properties (note 10) under lease arrangements, with leases negotiated for term of one to three years. None of the leases include contingent rentals. At 31 December 2024, the Group had total future minimum lease receivables under non-cancellable leases with its tenants falling due as follows:

	Unaudited At 31 December 2024 HK\$'000	Audited At 30 June 2024 HK\$'000
Within one year	22,067	25,922
After one year but within two years	11,680	15,596
After two years but within three years	4,068	4,427
	<u>37,815</u>	<u>45,945</u>

26. RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in these condensed consolidated interim financial statements, during the interim period, the Group entered into the following related party transactions:

- (a) During the six months ended 31 December 2024, imputed interest expenses of HK\$325,000 (2023: HK\$670,000) were incurred to a related company of which Ms. Cheng Siu Yin, Shirley is a director and key management personnel.
- (b) Compensation of key management personnel.

Included in employee benefit expenses are key management personnel compensation and comprise the following:

	Unaudited Six months ended 31 December 2024 HK\$'000	2023 HK\$'000
Short term employee benefits	4,438	3,958
Post-employment benefits	153	144
	<u>4,591</u>	<u>4,102</u>

- (c) As at 31 December 2024, included in due to non-controlling interests, an amount of HK\$55,814,000 (2023: HK\$41,875,000) was due to a related company which is owned by Ms. Cheng Siu Yin, Shirley and Mr. Chan Wai Lap, Victor.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS

The Group's consolidated revenue for the six months ended 31 December 2024 recorded an increase of approximately HK\$129,143,000 or 65% from the last interim period of HK\$200,183,000 to HK\$329,326,000. The increase in revenue was mainly attributable to the sales of properties of HK\$152,886,000. During the period under review, loss attributable to owners of the Company was HK\$16,968,000, as compared to loss attributable to owners of the Company of HK\$31,677,000 for the corresponding period last year. For the six months ending 31 December 2024, basic loss per share was HK2.48 cents (2023: basic loss per share of HK4.64 cents).

BUSINESS REVIEW

During the reporting period, the jewellery sector continued to face a challenging operating environment, exacerbated by persistent macroeconomic uncertainties. Collectively slower-than-expected global economic growth, inflationary pressures, compounded with high interest rate, and heightened geopolitical tensions, overall hindered global recovery. These factors, coupled with weak consumer sentiment and cautious purchasing behavior, adversely impacted demand for luxury products, including jewellery.

The record-breaking gold prices further compounded the challenges, as customers deferred jewellery purchases amidst the volatile market environment. In response, retailers adopted conservative inventory management strategies, closely monitoring stock levels and reducing replenishment orders. These factors collectively contributed to a decline in the Group's jewellery segment revenue, which decreased by approximately HK\$25,546,000 or 14%, from HK\$187,901,000 in the prior interim period to HK\$162,355,000 for the six months ended 31 December 2024. Despite the revenue decline, the Group remained resilient by implementing various cost control measures to navigate the difficult market conditions. As a result, the jewellery segment achieved a profit of HK\$7,759,000 for the six months ended 31 December 2024, representing a turnaround from the loss of HK\$8,804,000 recorded in the last interim period.

Looking ahead, the Group is committed to strengthening its competitive edge through enhanced merchandising initiatives. It continues to improve by expanding its R&D efforts, focusing on the development of more market-adaptable products, such as lightweight jewellery items, that cater to evolving consumer preferences and respond effectively to macro-environmental trends. Additionally, the Group is optimizing its production and logistics processes to ensure faster delivery times, enabling greater flexibility to adapt to shifting buying patterns while delivering enhanced value-added services.

In 2024, Hong Kong's real estate market faced significant challenges as the struggle for recovery persisted amidst a high-interest rate environment and a reduced demand compounded by oversupply of properties. Both residential and commercial sectors experienced downward pressure on prices and rents, making the year particularly difficult for developers and investors alike.

The Group's revenue from sales of properties and rental income during the period amounted to approximately HK\$152,886,000 and HK\$12,996,000 respectively, representing an increase of HK\$155,499,000 from the corresponding period of 2023 of HK\$10,383,000. The substantial increase in revenue was mainly from the sale of a residential project, Amber Place during the period. As at the date of this report, Amber Place has achieved total contracted sales of approximately HK\$213,100,000, of which HK\$152,886,000 has been recognized as revenue in the reporting period whilst HK\$60,214,000 is anticipated to be recognized as revenue in the second half of the financial year ending 30 June 2025 upon the handover of the completed units to buyers. Out of a total of 42 residential units, 36 units have entered contracted sales, representing approximately 85.7% of the total. Revenue from rental income during the period amounted to approximately HK\$12,996,000, representing an increase of HK\$2,613,000 compared to the corresponding period in 2023, which recorded HK\$10,383,000. The growth in rental income was primarily attributed to One Continental (恒匯中心), where more units were successfully leased out during the period.

In December 2021, the Group acquired six properties located at No. 164-164A Boundary Street, Kowloon, with a site area of approximately 5,054 sq.ft. and a developable gross floor area of approximately 25,270 sq.ft. Demolition of the old building has been completed, and the intention is to redevelop into a residential development.

"One Continental (恒匯中心)" is located at No. 232 Wan Chai Road, Hong Kong. The Group currently holds 75% of the interests in "One Continental", a premium grade office and retail composite building of 28-storey tall with a gross floor area of approximately 86,970 sq.ft. Despite the challenges posed by oversupplies and high financing costs, the Group managed to secure quality tenants during the second half of 2024.

The Group owns 90% of its interests in the site at No. 1 of Cheung Wah Street, Cheung Sha Wan, Kowloon, with a site area of approximately 3,240 sq.ft. The site has been developed into a 25-storey residential development with a 2-storey retail podium/high-rise composite building, with a gross floor area of approximately 29,147 sq.ft. The project has been named "Amber Place (恒珀)" and the occupation permit has been obtained in July 2023. The residential development offers a total of 42 residential units.

The Group holds certain investment properties comprising 12 floors of commercial properties located at No. 65 Castle Peak Road, Yuen Long, and 2 shops with several office units located at No. 19-23 Hart Avenue, Kowloon. The investment properties are generating a stable rental income for the Group during the period.

With a diverse and balanced property portfolio, the Group remains committed to navigating the challenging real estate environment. The Group believes that its strategic investments and projects will continue to generate steady income and long-term returns, even as the broader market faces downward pressure.

In the mining, operation at Hongzhuang Gold Mine was minimised. The Company was focused on the exploration at the north eastern of Yuanling. Meanwhile, we will continue developing new shaft and re-visiting the old shaft in the Yuanling mine site. No revenue was recorded for the period under review as these mines did not carry out any production activities. Apart from the minimal operations on both mines, no large-scale capital investment was carried out during the period under review.

BUSINESS PROSPECTS

The Group remains cautiously optimistic despite ongoing challenges in both the jewellery and property sectors. In the jewellery segment, global economic uncertainties, elevated gold prices, and restrained consumer spending are expected to persist. To navigate these challenges, the Group will maintain adaptability and flexibility in product development while exercising prudence in managing its cost structure.

In the property segment, Hong Kong's real estate market continues to face pressure due to high interest rates and oversupply. The Group will prioritize maximizing occupancy rates, especially at properties like One Continental, and adopt flexible leasing strategies to navigate the tenant-favorable market conditions.

By maintaining a balanced approach, leveraging our portfolio, and implementing cost control measures, the Group aims to generate steady income and returns while positioning ourselves to capitalize on future recovery opportunities in both sectors.

INTERIM DIVIDEND

The Board does not recommend any payment of an interim dividend for the six months ended 31 December 2024 (2023: Nil).

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

As at 31 December 2024, the Group's gearing ratio was 0.3306 (30 June 2024: 0.3619), which is calculated on net debt divided by total equity plus net debt. Net debt is calculated as the sum of bank and other borrowings less cash and cash equivalents. The cash and cash equivalents of HK\$59,387,000 (30 June 2024: HK\$49,156,000) which were mainly denominated in Hong Kong Dollar, US Dollar, Renminbi and British Pound. Other borrowings in respect of amounts due to joint ventures, amounts due to related companies, loan from a controlling shareholder, amounts due to non-controlling interests and lease liabilities were approximately of HK\$143,640,000 (30 June 2024: HK\$136,169,000). Bank loans denominated in Hong Kong Dollar and US Dollar were approximately HK\$879,727,000 (30 June 2024: HK\$1,036,236,000). Details of pledge of assets in respect of bank loans are set out in the section PLEDGE OF ASSETS.

In line with the Group's prudent financial management, the directors considered that the Group has sufficient working capital to meet its ongoing operational requirements.

PLEDGE OF ASSETS

As of 31 December 2024, the Group's bank loans denominated in Hong Kong Dollar of HK\$862,766,000 (30 June 2024: HK\$1,024,440,000) are secured by the Group's certain property, plant and equipment, investment properties, certain right-of-use assets, properties under development and properties for sales, pledged by ordinary shares of certain subsidiaries of the Company and guaranteed by corporate guarantees executed by the Company. Whereas, a bank loan denominated in US Dollar in the equivalent amount of HK\$16,961,000 (30 June 2024: HK\$11,796,000) are guaranteed by corporate guarantees executed by the Company and/or secured by all the assets of a subsidiary of the Company.

CONTINGENT LIABILITIES

As at 31 December 2024, the Company has provided guarantees to the extent of HK\$704,487,000 (30 June 2024: HK\$843,690,000) with respect to bank loans to its subsidiaries. Under the guarantees, the Company would be liable to pay the banks if the banks are unable to recover the loans. At the reporting date, no provision for the Company's obligation under the guarantee contracts has been made as the directors considered that it was unlikely the repayment of the loans would be in default.

CAPITAL STRUCTURE

All the Group's borrowings are denominated in Hong Kong Dollar, US Dollar and Renminbi. Interest is determined with reference to Hong Kong Interbank Offered Rate or Prime Rate for Hong Kong Dollar borrowings, Secured Overnight Financing Rate and US Prime Rate for US Dollar borrowings and the benchmark lending rate of the People's Bank of China for Renminbi borrowings. The Group also made use of foreign exchange forward contracts in order to minimise exchange rate risk as a result of fluctuation in British Pound. There was no change to the Group's capital structure during the six months ended 31 December 2024. In light of the current financial position of the Group and provided that there is no unforeseeable circumstance, the management does not anticipate the need to change the capital structure.

ADVANCE FROM A CONTROLLING SHAREHOLDER

As at 31 December 2024, loans in the total amount of RMB4,000,000 (equivalent to approximately HK\$4,240,000) was advanced from Ms. Cheng Siu Yin, Shirley. Further details were set out in note 20 to the condensed consolidated interim financial statement.

NUMBER OF EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group employs a total of approximately 451 employees (30 June 2024: 465) with the majority in the PRC. The Group's remuneration to its employees is largely based on common industrial practice. In order to attract, retain and motivate the eligible employees, including the directors, the Company has adopted share option schemes.

SHARE OPTION SCHEMES

The Company adopted a share option scheme on 13 July 2010 (the “2010 Share Option Scheme”), which has been expired on 12 July 2020. Therefore, the Company has adopted a new share option scheme on 22 December 2020 (the “2020 Share Option Scheme”). No share option has been granted under the 2020 Share Option Scheme since it has been adopted.

As at 31 December 2024, there were options for 9,200,000 shares were valid and outstanding under the 2010 Share Option Scheme.

Details of the outstanding share options under the 2010 Share Option Scheme held by the directors and employees of the Company during the period ended 31 December 2024 are as follows:

Name of Grantee	Date of Grant (dd/mm/yyyy)	Exercisable period (dd/mm/yyyy)	Exercise price per share (HK\$)	Closing price per share immediately before grant (HK\$)	Number of share options				
					Balance as at 1 July 2024	Granted during the period	Exercise during the period	Lapsed during the period	Balance as at 31 December 2024
Mr. Chan Wai Lap, Victor	07/07/2015	07/07/2015 - 06/07/2025	2.45	2.00	1,000,000	-	-	-	1,000,000
	03/11/2016	03/11/2016 - 02/11/2026	1.49	1.50	1,000,000	-	-	-	1,000,000
Ms. Chan Wai Kei, Vicki	07/07/2015	07/07/2015 - 06/07/2025	2.45	2.00	1,000,000	-	-	-	1,000,000
	03/11/2016	03/11/2016 - 02/11/2026	1.49	1.50	1,000,000	-	-	-	1,000,000
Mr. Yam Tat Wing	07/07/2015	07/07/2015 - 06/07/2025	2.45	2.00	1,000,000	-	-	-	1,000,000
	03/11/2016	03/11/2016 - 02/11/2026	1.49	1.50	1,000,000	-	-	-	1,000,000
Mr. Wong Edward Gwon-hing	25/07/2014	25/07/2014 - 24/07/2024	1.21	1.20	1,000,000	-	-	1,000,000	-
	07/07/2015	07/07/2015 - 06/07/2025	2.45	2.00	1,000,000	-	-	-	1,000,000
	03/11/2016	03/11/2016 - 02/11/2026	1.49	1.50	1,000,000	-	-	-	1,000,000
Other Employees	22/06/2020	22/06/2020-21/06/2030	0.52	0.51	1,200,000	-	-	-	1,200,000
					<u>10,200,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>9,200,000</u>

Save as disclosed above, no other options under the 2010 Share Option Scheme were outstanding at the beginning or at the end of the period ended 31 December 2024 and no other options were granted, exercised, cancelled or lapsed at any time during the period.

EXPOSURE TO FINANCIAL RISK AND RELATED HEDGES

The Group utilises conservative strategies on its financial risk management and the market risk had been kept to minimum. With the exception of the UK subsidiaries, all transactions and the borrowings of the Group are primarily denominated in US Dollar, Hong Kong Dollar and Renminbi. During the period, the Group had entered into foreign exchange forward contract in order to minimise the exchange rate risk as a result of fluctuation in British pound. Management will continue to monitor the foreign exchange risk in British Pound and recent fluctuation in Renminbi and will take appropriate actions when necessary.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2024.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests and short positions of the Directors and chief executive(s) in the shares, underlying shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register maintained by the Company under Section 352 of Part XV of the SFO or as otherwise notified to the Company and Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as set out below:

1. Interests in the Company

Name of directors	Number of ordinary shares of the Company				Percentage of the Company's issued share capital
	Personal interest	Corporate interest	Underlying interest	Total	
Chan Wai Lap, Victor	270,000	–	2,000,000 (Note 2)	2,270,000	0.33%
Cheng Siu Yin, Shirley	–	506,339,522 (Note 1)	–	506,339,522	74.12%
Chan Wai Kei, Vicki	–	–	2,000,000 (Note 2)	2,000,000	0.29%
Wong Edward Gwon-hing	–	–	2,000,000 (Note 2)	2,000,000	0.29%
Chan Ping Kuen, Derek	20,000	–	–	20,000	0.003%
Yam Tat Wing	240,000	–	2,000,000 (Note 2)	2,240,000	0.33%

Notes:

- Such interests are held by Tamar Investments Group Limited ("Tamar"), which is a company owned as to 70% by Ms. Cheng Siu Yin, Shirley. Ms. Cheng Siu Yin, Shirley and Mr. Chan Wai Lap, Victor are directors of Tamar.
- These interests represented the interests in underlying shares of the Company in respect of share options granted to the Directors.

2. Interests in associated corporation

Tamar Investments Group Limited

Name of directors	Number of ordinary shares of the associated corporation			Total	Percentage of the issued share capital of the associated corporation
	Personal interest	Corporate interest	Underlying interest		
Cheng Siu Yin, Shirley	70	–	–	70	70%
Chan Wai Lap, Victor	16	–	–	16	16%
Chan Wai Kei, Vicki	7	–	–	7	7%
Chan Mei Kei, Alice	7	–	–	7	7%

Except as disclosed above, at the reporting date, none of the Directors and chief executive(s) had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2024, so far as the Company is aware, the interests or short positions of the person(s) or corporation(s) (other than Director(s) or chief executive(s) of the Company) in the shares or underlying shares of the Company which would fall to be disclosed under the provision of Part XV of the SFO or as recorded in the register kept by the Company pursuant to section 336 of the SFO were as follows:

Name of shareholder	Capacity/Nature of interest	Total number of shares	Percentage of the Company's issued share capital
Tamar Investments Group Limited	Beneficial Owner	506,339,522	74.12%

Save as disclosed above, as at 31 December 2024, the Directors have not been notified by any person (other than the Directors or chief executives of the Company) who had interests or short position in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

CORPORATE GOVERNANCE PRACTICES

The Company adopted all the Code Provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules and has complied with all the applicable Code Provisions throughout the six months ended 31 December 2024 except for the following deviations:

1. Code Provision C.2.1

Code Provision C.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Chan Wai Lap, Victor (“Mr. Victor Chan”) is an Executive Director and the Chairman of the Company. Mr. Victor Chan currently strategizes the direction of the Group and provides leadership for the Board. He ensures that the Board works effectively and discharges its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner. Mr. Victor Chan is also responsible for ensuring that all directors of the Company are properly briefed on issues arising at Board meetings and that all directors of the Company receive adequate information, which must be complete and reliable, in a timely manner.

Ms. Cheng Siu Yin, Shirley, mother of Mr. Chan Wai Lap, Victor, is the Managing Director of the Company. She is responsible for the day-to-day management and marketing activities of the Group.

Although the Company does not have a post of Chief Executive Officer, the Board considers that there is adequate segregation of duties within the Board to ensure a balance of power and authority.

2. Code Provision D.2.5

Code Provision D.2.5 provides that the issuer should have an internal audit function. Issuers without an internal audit function should review the need for one on an annual basis and should disclose the reasons for the absence of such a function in the Corporate Governance Report.

The Company does not have an internal audit function during the six months ended 31 December 2024. Taking into account the size and complexity of the operations of the Group, the Company considers that the existing organisation structure and the close supervision of the management could provide sufficient internal control and risk management for the Group. The audit committee of the Board regularly reviews the effectiveness of the internal control systems and risk management of the Group. The Board would review the need to set up an internal audit function on an annual basis.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. The Company has made specific enquiry with all directors and all of them have confirmed that they have complied with the required standards as set out in the Model Code during the six months ended 31 December 2024.

AUDIT COMMITTEE

The Audit Committee of the Company currently comprises five independent non-executive directors of the Company.

The Audit Committee has discussed the Group’s accounting policies and basis adopted, the financial control, risk management and internal control systems of the Group and has reviewed the unaudited consolidated interim financial statements for the six months ended 31 December 2024. The Audit Committee has approved the unaudited consolidated interim financial statements.

On behalf of the Board
Continental Holdings Limited
Chan Wai Lap, Victor
Chairman

Hong Kong, 24 February 2025