



2025 中期報告

截至二零二五年六月三十日止六個月

思捷環球控股有限公司

(於百慕達註冊成立之有限公司)

香港股份代號 00330

2025 Interim Report

For Six Months Ended 30 June 2025

Esprit Holdings Limited

(Incorporated in Bermuda with Limited Liability)

Hong Kong Stock Code 00330

Corporate Information

Executive Directors

- Ms. CHIU Christin Su Yi
(Chairperson)
- Mr. PAK William Eui Won
(Chief Executive Officer and
Chief Operating Officer)
- Mr. WRIGHT Bradley Stephen

Independent Non-executive Directors

- Ms. LIU Hang-so
- Ms. LIU Tsui Fong
- Mr. LO Kin Ching Joseph
- Mr. YU Chung Leung

Chief Financial Officer

- Mr. WONG Brian Shek Kae

Company Secretary

- Mr. MAN Wai Chuen

Principal bankers

- Citibank, N.A.
- Hang Seng Bank Limited
- Standard Chartered Bank
(Hong Kong) Limited

Auditor

- Crowe (HK) CPA Limited
Certified Public Accountants
Registered Public Interest
Entity Auditor

Principal legal advisor

- Reed Smith LLP

Principal share registrar

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

Hong Kong branch share registrar

Tricor Secretaries Limited
(changed to Tricor
Investor Services Limited
effective 1 September 2025)
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Share listing

Listing on The Stock Exchange of
Hong Kong Limited since 1993
Stock Code: 00330

Level 1 sponsored American
Depository Receipt program
since 2015
Stock Code: ESPGY



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Management Discussion and Analysis

The first half of 2025 marked a critical phase in Esprit Holdings Limited's (the **"Company"**, together with its subsidiaries, the **"Group"** or **"ESPRIT"**) journey, following the extensive restructuring initiatives undertaken throughout 2024. By shifting away from its legacy business model and capital-intensive infrastructure, historically burdened by significant expenditures in sourcing, distribution and retail operations, the Company is now moving towards an asset-light, licensing-focused brands management business model. The Company has been proactively identifying and creating a network of licensee partners. During the Period, the Company has successfully established partnerships covering several major markets, including Greater China and the United States. As owner and guardian of the brands, the Company remains focused on preserving the brand identity and steering its strategic direction, while delegating all operational functions to licensee partners. This not only mitigates financial and operational risks of the Company, but also positions the Group for long-term, sustainable growth.

Following years of declining revenue, from HK\$17.8 billion in the financial year of 2016 to HK\$1.6 billion in the financial year of 2024, alongside recurring net loss attributable to shareholders of the Company amounting to HK\$2.3 billion in the financial year of 2023 and HK\$1.2 billion in the financial year of 2024, the Group's legacy business model had become untenable. The structural cost inefficiencies in European operations, the Group's former key market, exacerbated by unfavourable macroeconomic conditions such as high inflation, interest rates, energy costs, and pandemic aftershocks, necessitated a fundamental overhaul of operations.

In response to the unsatisfactory performance of the legacy business model and changing market dynamics, the Company had proactively adapted its business model, and the Company believes this shift towards a licensing-focused brands management business model is timely, particularly given that the global brand licensing industry continues to demonstrate robust growth.

According to Licensing International's 2025 Global Licensing Industry Study, the licensing market reached US\$369.6 billion in retail sales of licensed merchandise and services in 2024, representing a 3.7% increase year-on-year. Licensing International, a leading trade association for the global brand licensing industry, highlights the increasing commercial relevance of the licensing business model as companies seek to monetize their intellectual property with minimal operational requirements while leveraging partners' distribution, localization, and category expertise to expand brand presence efficiently. Notably, fashion was among the top-performing intellectual property categories in 2024, recording a growth of 8.1%, underscoring continued strong consumer demand for branded fashion offerings. For the Group, aligning with this market trend enhances its prospects for scalable revenue streams and improved profitability in the medium to long term.

During the six months ended 30 June 2025 (the **"Period"**), the Group recorded an unaudited net profit attributable to shareholders of the Company (the **"Shareholders"**) of approximately HK\$1 million, as compared to the unaudited net loss attributable to Shareholders of approximately HK\$56 million for the six months ended 30 June 2024 (the **"Corresponding Period"**).

For continuing operations, the Group began generate initial revenue from newly executed licensing agreements and cost efficiencies were significantly enhanced during the Period. Following the cessation of discontinued operations and the strategic shift towards an asset-light licensing-focused brands management business model, the Group's revenue from continuing operations for the Period remained modest at approximately HK\$7 million, compared to approximately HK\$26 million in the Corresponding Period.

The Company has achieved substantial improvement in its cost structure and working capital efficiency. Operating expenses have been reduced considerably, driven by the closure of loss-making subsidiaries, the downsizing of back-end infrastructure, and the elimination of fixed overhead costs. For the Period, operating expenses from continuing operations totaled approximately HK\$26 million, representing a 83% decrease compared to approximately HK\$149 million in the Corresponding Period. These factors collectively contributed to a reduction in the Group's net loss from continuing operations, which amounted to approximately HK\$21 million for the Period, compared to a net loss of approximately HK\$119 million for the Corresponding Period excluding a one-off other income of approximately HK\$128 million recorded in the Corresponding Period.

In respect of discontinued operations, a net profit of approximately HK\$22 million was recorded for the Period, compared to a net loss of approximately HK\$65 million in the Corresponding Period, thereby further contributing to the net profit attributable to Shareholders.

The Company believes that the Group is now well positioned to benefit from the asset-light, licensing-focused brands management business model that generates predictable recurring income streams, consistently higher gross margins compared to direct retail operations and attractive cash flow. The vast majority of the Group's licensing agreements include guaranteed minimum royalties, which provide a high degree of predictability to the licensing revenue. Initial royalty income for the Period, although still in the early stage, is expected to grow quarter-on-quarter. This trend is anticipated to accelerate as licensee partners scale up their operations, particularly in China.

Despite the licensing agreement with our licensee partner for China being executed only a few months ago, the licensee partner has already achieved significant progress in the market. As an initial priority, they are focusing on establishing a presence across major e-commerce platforms such as Tmall, Douyin, JD.com, and Vip.com. Efforts are underway to complete platform onboarding procedures and develop the 2025 Autumn-Winter collection. Concurrently, the licensee partner is conducting the identification and vetting of potential sub-licensees for specific product categories. With a clear roadmap for product launches and business expansion, the licensee is steadily building a strong foundation to grow in the competitive Chinese market.

The asset-light, licensing-focused brands management business model strategically segregates brand stewardship from operational execution. Under this framework, the Group retains full control over all brand-essential functions, including brand strategy, design and quality direction, and global brand stewardship, while delegating operational responsibilities including sourcing, merchandising, distribution, and retail management, to licensee partners. The Group works with its licensee partners to execute the strategy and the shared vision of building long-term value of the brands. By eliminating the burden of maintaining inventory, the Group has significantly improved its working capital position. Furthermore, by shifting away from its legacy business model, the Group has reduced operational complexity and risks, enabling the management to focus on brand development, partners identification and support, and long-term strategy. While currently the Company is pursuing sustainable growth primarily through the asset-light, licensing-focused brands management business model, it will also remember its roots in the traditional retail, e-commerce and wholesale fashion business and will explore potential opportunities within these channels when general conditions improve, remaining alert when such opportunities present themselves. At the same time, the Company will also consider brand portfolio expansion opportunities that align with its long-term vision when strategically suitable.

FINANCIAL REVIEW

The following financial reviews may include figures that combine both continuing and discontinued operations for analytical purposes, as specifically indicated. These figures provide a clearer understanding of the Group's overall financial performance during the Period by reflecting both operating and discontinued operations, given that discontinued operations had constituted a significant part of the Group's business in the Corresponding Period. These figures should be viewed as supplementary to, and not as a substitute for, measures of the Group's financial performance prepared in accordance with International Financial Reporting Standards ("IFRS").

Revenue Analysis

Following the cessation of discontinued operations and the strategic shift towards a licensing-focused brands management business model, the Group's revenue from continuing operations for the Period remained modest at approximately HK\$7 million, compared to approximately HK\$26 million in the Corresponding Period. This decrease was primarily due to the cessation of licensing income from European trademarks, which were derecognized in 2024 following the insolvency proceedings of the Company's former German subsidiaries. By retaining the trademarks for all regions outside of Europe, the Group has a strong foundation for the development and expansion of its licensing-focused brands management business.

During the Period, the Company has successfully established partnerships covering several major markets, including Greater China and the United States, and has begun generating initial revenue. Moving forward, the Company will continue to expand its licensee partners network, leveraging their expertise and scalable distribution channels to broaden product categories and extend the brands' market penetration. Additionally, the Group will explore potential opportunities to expand its distribution channels and broaden its brand portfolio when appropriate.

Gross Profit Margin

Given the nature of the Group's licensing business, which does not involve production, inventory management, or direct retail of products, the cost base associated with generating revenue is minimal. As such, gross profit margin is not considered a relevant metric for financial analysis.

Operating Expenses

As previously mentioned, the Company has achieved substantial improvement in its cost structure and working capital efficiency during the Period. Operating expenses from continuing operations totaled approximately HK\$26 million, representing a 83% decrease compared to approximately HK\$149 million in the Corresponding Period. This reduction underscores the effectiveness of the Company's disciplined cost control measures.

Within total operating expenses, staff costs declined from approximately HK\$71 million in the Corresponding Period to approximately HK\$18 million for the Period, representing a 74% reduction. The decrease was primarily due to the insolvency proceedings initiated by certain subsidiaries of the Company in the second half of 2024, leading to their deconsolidation and the corresponding decrease in the number of employee headcount. Moreover, net foreign exchange translation losses, arising from the settlement of cross-currency transactions as well as the translation of monetary assets and liabilities denominated in foreign currencies at period-end exchange rates, also decreased to approximately HK\$1 million during the Period, compared with approximately HK\$29 million in the Corresponding Period.

Other operating costs, which form part of total operating expenses, decreased significantly from approximately HK\$45 million in the Corresponding Period to approximately HK\$0.5 million during the Period. This reduction was largely driven by a substantial decline in legal and professional fees, which fell from approximately HK\$32 million in the Corresponding Period to approximately HK\$2 million in the Period, excluding the impact of a one-off income of approximately HK\$8 million from the reversal of a provision during the Period.

WORKING CAPITAL MANAGEMENT

Inventories

Following the Group's shift from a high-cost, capital-intensive direct retail business model to an asset-light, licensing-focused brands management business model, it has significantly strengthened its working capital position by eliminating the need to maintain inventory.

Accounts Receivable

As at 30 June 2025, accounts receivable amounted to approximately HK\$3 million (31 December 2024: approximately HK\$1 million), representing an increase of 261%. This increase was partly due to the timing of payments from the recently executed licensing agreements and is a reflection of the expansion of licensing business.

Accounts Payable

As at 30 June 2025, accounts payable balance was nil (31 December 2024: approximately HK\$8 million), representing a decrease of 100%. The significant reduction was partly due to both the reclassification of payables as the business is operated under a licensing-focused brands management business model, and the settlement of outstanding payments.

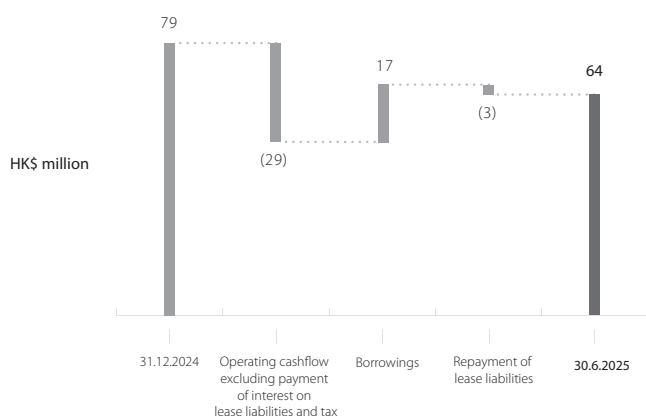
LIQUIDITY AND FINANCIAL RESOURCES ANALYSIS

Net Cash

As at 30 June 2025, total recorded cash, bank balances, and deposits amounted to approximately HK\$64 million (31 December 2024: approximately HK\$79 million), representing a net cash decrease of approximately HK\$15 million. The cash position was primarily impacted by the following factors (cash movements included those from deconsolidated subsidiary prior to its deconsolidation):

- 1) the operating performance of the business (including both continuing and discontinued operations) generated a net cash outflow of approximately HK\$29 million, excluding payment of interest on lease liabilities and tax;
- 2) the interest-bearing external borrowings increased by approximately HK\$17 million; and
- 3) the repayment of lease liabilities of approximately HK\$3 million.

Cash Flow Bridge for the Six Months Ended 30 June 2025



Total Interest-Bearing External Borrowings and Gearing Ratio

As at 30 June 2025, the Group had interest-bearing external borrowings of approximately HK\$126 million (31 December 2024: approximately HK\$109 million). Consequently, the Group's gearing ratio as at 30 June 2025 (defined as the percentage of total interest-bearing external borrowings to total assets) was 31% (31 December 2024: 26%). The increase in the gearing ratio was primarily due to additional loans being drawn during the Period for working capital purpose. Furthermore, the directors of the Company (the "Directors") continue to explore opportunities to expand the capital base through additional fundraising efforts aimed at supporting growth and financing future initiatives.

Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange ("FX") risk arising from various currency exposures, primarily with respect to the Euro dollar, Renminbi and U.S. dollar. FX risk dominantly arises from future commercial transactions and to a lesser extent from recognized monetary assets and liabilities that are denominated in currencies that are not the functional currencies of the Group's entities. The Directors will continue to monitor the foreign exchange exposure and will consider appropriate actions to mitigate such risk, as necessary.

Significant Investment and Material Acquisitions and Disposals

Save for those disclosed in this report, there were no other significant investments held, nor were there material acquisitions or disposals of subsidiaries during the Period (for the year ended 31 December 2024: As disclosed in the Company's announcements dated 25 March 2024, 8 April 2024, 15 May 2024, 31 May 2024, 3 June 2024 and 27 June 2024, two subsidiaries in Switzerland, one in Belgium, seven in Germany, and one in Denmark filed for insolvency, self-administration, and preventive restructuring with the relevant competent courts. Moreover, in the second half of 2024, as disclosed in the Company's announcements dated 22 July 2024, 29 July 2024 and 28 October 2024, a Dutch subsidiary, two subsidiaries in Hong Kong, and two subsidiaries in the United States also initiated insolvency proceedings, were placed into creditors' voluntary liquidation, and filed for bankruptcy with the relevant competent courts).

Capital Commitments

The Group did not have any capital commitments in respect of the acquisition of property, plant and equipment as at 30 June 2025 (31 December 2024: Nil)

Charges on Group Assets

As at 30 June 2025, the Group's long-term borrowings were mainly secured by:

- (i) All the undertakings, properties and assets of two subsidiaries of the Company. The assets held by these subsidiaries include trademarks of the Group with an aggregate carrying amount of approximately HK\$271 million (31 December 2024: approximately HK\$268 million) at the group level as of 30 June 2025;
- (ii) The shares of a subsidiary of the Company; and
- (iii) The loan receivables owing by a joint venture to the Group with the carrying amount of approximately HK\$22 million as at 30 June 2025 (31 December 2024: approximately HK\$22 million).

As at 30 June 2025, save for those disclosed elsewhere in this report, the Company has not charged its assets.

Contingent Liabilities

As at 30 June 2025 and 31 December 2024, the Group was subject to a potential claim arising from the early termination of a lease agreement, where the relevant subsidiary is undergoing insolvency proceedings. Negotiations have taken place but as of the date of this report no settlement agreement has been signed. It is anticipated that the potential claim in a settlement scenario would be no more than HK\$14 million. The lease deposit provided by the Group to the landlord has already been applied thereby reducing any potential settlement amount.

As at the date of this report, the matter remains under review and is subject to ongoing legal negotiation. No provision has been recognized in the financial statements as the landlord has a duty to take reasonable actions to re-rent the premises to mitigate the compensation amount, and the amount cannot be measured with sufficient reliability at this stage. The Group will continue to monitor the situation and reassess the need for a provision as more information becomes available.

As at 30 June 2025, save for those disclosed elsewhere in this report, the Company did not have significant contingent liabilities.

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group employed approximately 38 full time equivalent staff ("FTE") (30 June 2024: approximately 538 FTE). This reduction was primarily due to the insolvency proceedings initiated by certain subsidiaries of the Company in the second half of 2024, leading to their deconsolidation and the corresponding decrease in FTE. The Group remains committed to attracting and retaining high-calibre, competent employees by offering competitive remuneration packages. These packages are designed to reflect business performance, align with market practices, and consider prevailing market conditions, ensuring fair compensation for employees' contributions.

INTERIM DIVIDEND

The board of directors (the "Board") has resolved not to declare an interim dividend for the Period. The Board will constantly monitor and review the situation in the coming future.

IMPORTANT EVENTS AFTER THE END OF THE PERIOD

On 21 July 2025, the Board proposed to (i) implement a capital reorganization involving the share consolidation, capital reduction and share sub-division (the "Capital Reorganization") and (ii) change the board lot size for trading on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") from 2,500 existing shares to 10,000 new shares (the "Change in Board Lot Size"). The Capital Reorganization and the transactions contemplated thereunder, together with the Change in Board Lot Size, were approved by the Shareholders on the special general meeting held on 21 August 2025. The Capital Reorganization and the Change in Board Lot Size became effective on 25 August 2025.

For further details, please refer to the announcement of the Company dated 21 July 2025, the circular of the Company dated 5 August 2025, and the poll results announcement of the Company dated 21 August 2025.

OUTLOOK

The outlook for the global fashion licensing market remains positive, underpinned by strong structural drivers despite prevailing macroeconomic and geopolitical headwinds. According to Licensing International's 2025 Global Study as mentioned above, fashion licensing recorded a robust growth of 8.1% in 2024, reflecting resilient consumer demand for branded offerings and the operational advantages of licensing as an asset-light, capital-efficient business model, particularly for brand owners to generate scalable, low-risk income streams.

Looking ahead, the fashion licensing sector is expected to benefit from increasing demand for accessible luxury and lifestyle offerings, as well as the continued expansion of omni-channel retail business model that enhance licensees' ability to commercialize brand assets efficiently. This trend is particularly evident in key markets such as Greater China and the United States, where consumers continue to demonstrate strong demand for branded products. The effectiveness of this asset-light business model is exemplified by the leading licensing companies, which leverage licensees' established infrastructure and networks to drive rapid geographic and category expansion. This approach enables scalable growth without the significant capital investment as required under the direct retail business model, enhancing capital efficiency and reducing operational risks.

In line with these industry trends and outlook for future market conditions, the Company successfully established licensing partnerships in the first half of 2025 for both the Greater China and North American markets, enabling it to capitalize on licensees' local market expertise, e-commerce capabilities, and established distribution networks to strengthen brand presence and accelerate growth. As of the date of this report, the Company has also completed the renewal of its existing licensing agreement covering Latin America. The Company aims to partner with best-in-class licensees that were selected based on their experience and expertise, and ability to generate revenue while also supporting the long-term brand vision. Moving forward, the Company will continue to actively engage with potential strategic partners to further expand licensing opportunities for its brands across a broader range of geographic markets and product categories.

However, the Company is in the early stage of its shift towards a licensing-focused brands management business model. While the Company sees a substantial and exciting market opportunity to deepen its presence across the expansive global market for branded offerings, nonetheless, these markets are not without challenges. Geopolitical tensions, including ongoing trade disputes between major economies and heightened political uncertainty in the United States, may impact cross-border licensing arrangements, intellectual property enforcement, and overall consumer sentiment. Additionally, macroeconomic factors such as persistent inflation in certain markets, currency volatility, and the potential economic slowdowns could undermine consumer's discretionary spending, particularly in non-essential fashion sectors.

Despite these external challenges, the licensing-focused brands management business model offers inherent advantages by shifting operational and inventory-related burden and risks to licensees. This enables the Company as the brand owner to concentrate on steering brand strategy and enhancing brand equity, while simultaneously securing consistent and stable royalty income streams. This asset-light structure is particularly resilient during periods of market volatility, enabling the Company as the brand owner to rapidly adapt to regional economic shifts and reposition brand strategies in response to geopolitical changes.

In conclusion, while short-term market volatility and geopolitical uncertainties present potential obstacles, the long-term outlook for the fashion licensing industry remains optimistic. With its strong brand equity – a legacy dating back to 1968, disciplined partner selection, and agile licensing strategies, the Company is well-positioned to capitalize on sustained growth opportunities and generate stable, high-margin revenue streams over the foreseeable future.

Additionally, the Company will also remember its roots in the traditional retail, e-commerce and wholesale fashion business and will explore potential opportunities within these channels when general conditions improve, remaining alert when such opportunities present themselves. Concurrently, the Company will also consider brand portfolio expansion opportunities that align with its long-term vision when strategically suitable.

INTERIM FINANCIAL INFORMATION

The board of directors (the “Board”) of Esprit Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim financial information, along with selected explanatory notes, of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 (the “Period”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

HK\$'000	Notes	Unaudited for the six months ended 30 June 2025	Unaudited for the six months ended 30 June 2024 (restated)
Continuing Operations			
Revenue	2	6,595	26,070
Cost of sales		-	(1,305)
Gross profit		6,595	24,765
Staff costs		(18,064)	(70,761)
Occupancy costs		(2,976)	(1,721)
Logistics expenses		-	(694)
Depreciation of property, plant and equipment	11	(47)	(843)
Depreciation of right-of-use assets	10	(2,707)	(1,624)
Net foreign exchange translation losses		(1,395)	(29,019)
Other income		-	128,591
Other operating costs		(479)	(44,598)
Operating (loss)/profit from continuing operations	3	(19,073)	4,096
Interest income	4	101	1,001
Finance costs	5	(1,829)	(70)
(Loss)/profit before taxation from continuing operations		(20,801)	5,027
Taxation	6	(3)	4,093
(Loss)/profit from continuing operations		(20,804)	9,120
Discontinued operations			
Profit/(loss) from discontinued operations	1.3	22,105	(65,579)
Profit/(loss) attributable to shareholders of the Company		1,301	(56,459)
Profit/(loss) per share for profit/(loss) attributable to shareholders of the Company		HK cents	HK cents
- basic and diluted	8	0.05	(1.99)
(Loss)/profit per share from continuing operations			
- basic and diluted	8	(0.73)	0.32
Profit/(loss) per share from discontinued operations			
- basic and diluted	8	0.78	(2.31)

The notes on pages 13 to 25 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

HK\$' 000	Notes	Unaudited for the six months ended 30 June 2025	Unaudited for the six months ended 30 June 2024 (restated)
(Loss)/profit from continuing operations		(20,804)	9,120
Profit/(loss) from discontinued operations	1.3	22,105	(65,579)
Profit/(loss) attributable to shareholders of the Company		1,301	(56,459)
Other comprehensive income/(loss)			
Item that may be reclassified subsequently to profit or loss:			
Foreign exchange translation gains from continuing operations		66	144,250
Foreign exchange translation gains from discontinued operations	1.3	-	38,357
Recycling of translation reserve	1.4	355	(1,966,544)
Release of capital reserve		-	(1,459)
Remeasurements of retirement defined benefit obligations, net of tax		-	(9,311)
		421	(1,794,707)
Total comprehensive income/(loss) for the period attributable to shareholders of the Company, net of tax		1,722	(1,851,166)
- from continuing operations		(20,738)	153,370
- from discontinued operations		22,460	(2,004,536)

The notes on pages 13 to 25 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED BALANCE SHEET

HK\$'000	Notes	Unaudited As at 30 June 2025	Audited As at 31 December 2024 (restated)
Non-current assets			
Intangible assets	9	270,863	267,928
Property, plant and equipment	11	53	105
Right-of-use assets	10	2,219	2,456
Financial assets at fair value through profit or loss		868	1,108
Loans to a joint venture	12	21,943	21,443
Deposits		1,525	1,518
Financial assets at fair value through other comprehensive income		217	-
		297,688	294,558
Current assets			
Debtors, deposits and prepayments	13	33,044	34,191
Tax receivable		7,821	8,112
Cash, bank balances and deposits	14	63,735	79,436
		104,600	121,739
TOTAL ASSETS		402,288	416,297
Current liabilities			
Creditors and accrued charges	15	47,728	65,907
Lease liabilities	17	627	16,311
Provisions	16	1,592	1,288
Tax payable		681	644
		50,628	84,150
Net current assets		53,972	37,589
Total assets less current liabilities		351,660	332,147
Equity			
Share capital	19	283,082	283,082
Reserves		(103,866)	(105,588)
		179,216	177,494
Non-current liabilities			
Lease liabilities	17	1,037	-
Long-term borrowings	18	125,755	109,000
Deferred tax liabilities		45,652	45,653
		172,444	154,653
TOTAL LIABILITIES		223,072	238,803
TOTAL EQUITY AND LIABILITIES		402,288	416,297

The notes on pages 13 to 25 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited for the six months ended 30 June 2025									
HK\$' 000	Share capital	Share premium	Employee share-based payment reserve	Remeasurements of retirement defined benefit obligations	Contributed surplus	Translation Reserve	Capital reserve	Accumulated losses	Total
At 31 December 2024	283,082	8,583,359	902,167	-	6,252	(31,362)	-	(9,566,004)	177,494
Foreign exchange translation	-	-	-	-	-	66	-	-	66
Recycling of translation reserve	-	-	-	-	-	355	-	-	355
Profit attributable to shareholders of the Company	-	-	-	-	-	-	-	1,301	1,301
Total comprehensive income, net of tax	-	-	-	-	-	421	-	1,301	1,722
At 30 June 2025	283,082	8,583,359	902,167	-	6,252	(30,941)	-	(9,564,703)	179,216

Unaudited for the six months ended 30 June 2024 (restated)									
HK\$' 000	Share capital	Share premium	Employee share-based payment reserve	Remeasurements of retirement defined benefit obligations	Contributed Surplus	Translation reserve	Capital reserve	Accumulated losses	Total
At 31 December 2023	283,082	8,583,359	902,167	9,311	6,602	528,183	1,459	(8,348,520)	1,965,643
Foreign exchange translation	-	-	-	-	-	182,607	-	-	182,607
Recycling of translation reserve	-	-	-	-	-	(1,966,544)	-	-	(1,966,544)
Release of capital reserve	-	-	-	-	-	-	(1,459)	-	(1,459)
Remeasurements of retirement defined benefit obligations	-	-	-	(9,311)	-	-	-	-	(9,311)
Loss attributable to shareholders of the Company	-	-	-	-	-	-	-	(56,459)	(56,459)
Total comprehensive loss, net of tax	-	-	-	(9,311)	-	(1,783,937)	(1,459)	(56,459)	(1,851,166)
At 30 June 2024	283,082	8,583,359	902,167	-	6,602	(1,255,754)	-	(8,404,979)	114,477

The notes on pages 13 to 25 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited for the six months ended 30 June 2025	Unaudited for the six months ended 30 June 2024 (restated)
HK\$' 000		
Cash flows from operating activities		
Cash (used in)/generated from operations	(29,580)	167,648
Interest paid	-	(235)
Interest paid for lease liabilities	(48)	(19,266)
Overseas tax refund/(paid), net	356	(1,930)
Net cash (used in)/generated from operating activities	(29,272)	146,217
Cash flows from investing activities		
Purchase of intangible assets, property, plant and equipment	(14)	(8,188)
Net cash outflow for deconsolidation of subsidiaries	(3)	(289,461)
Payment for financial assets at fair value through other comprehensive income	(217)	-
Loan to a joint venture	(500)	(2,250)
Proceeds from disposal of property, plant and equipment	4	1,902
Interest received	14	1,417
Net decrease in bank deposits with maturities of more than three months	-	1,157
Net cash used in investing activities	(716)	(295,423)
Cash flows from financing activities		
Proceeds from borrowings	16,755	-
Repayment of lease liabilities	(2,561)	(214,095)
Net cash generated from/(used in) financing activities	14,194	(214,095)
Net decrease in cash and cash equivalents	(15,794)	(363,301)
Cash and cash equivalents at beginning of period	79,436	434,121
Effect of change in exchange rates	93	(9,311)
Cash and cash equivalents at end of period	63,735	61,509
Analysis of balances of cash and cash equivalents		
Bank balances and cash	63,735	58,333
Bank deposits with maturities of less than three months	-	3,176
Cash, bank balances and deposits	63,735	61,509
Discontinued operations		
Net cash generated from operating activities	-	208,896
Net cash used in investing activities	(3)	(294,142)
Net cash used in financing activities	-	(211,022)

For the six months ended 30 June 2025, the total cash outflow for leases amounted to approximately HK\$2,609,000 (for the six months ended 30 June 2024: approximately HK\$233,361,000).

The notes on pages 13 to 25 form an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information (the “**Interim Financial Information**”) on pages 8 to 25 for the Period was prepared in accordance with the International Accounting Standard (the “**IAS**”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Interim Financial Information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024.

Different from those financial statements presented in millions of Hong Kong Dollars in prior periods, these condensed consolidated financial statements are presented in thousands of Hong Kong Dollars, unless otherwise stated. The Board considers that this will make the financial statements more understandable against the business scale reduction resulted from the deconsolidation of loss-making subsidiaries, particularly those in Europe, in the previous year. This change affects presentation units only. There is no change to accounting policies, measurement bases or rounding conventions.

1.1 Use of judgement and estimates

While preparing the Interim Financial Information, the management of the Company (the “**Management**”) has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

The significant judgements made by the Management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

1.2 Going concern

During the Period, the Group recorded a net profit attributable to shareholders of the Company (the “**Shareholders**”) of approximately HK\$1 million and a net cash outflow of approximately HK\$16 million. As at 30 June 2025, the Group’s net current assets were approximately HK\$54 million against long-term borrowings of approximately HK\$126 million. Cash, bank balances and deposits amounted to approximately HK\$64 million as at the same date.

The first half of 2025 marked a critical phase in the Company’s journey for its shift towards a licensing-focused brands management business model, following the extensive restructuring initiatives undertaken throughout 2024. For continuing operations, the Group recorded a reduction in net loss to approximately HK\$21 million for the Period, compared to a net loss of approximately HK\$119 million for the six months ended 30 June 2024 (the “**Corresponding Period**”) (excluding a one-off other income of approximately HK\$128 million recorded in the Corresponding Period). This reflects the Company’s substantial improvement in cost structure and working capital efficiency. As a result, after consolidating the net profit from discontinued operations of approximately HK\$22 million recorded during the Period, the Group reported a net profit attributable to Shareholders of approximately HK\$1 million.

To improve the liquidity and ensure sufficient financing for future business development, the Group is in the process of implementing the following plans and measures:

1. The Board continues to evaluate opportunities to strengthen the financial position of the Group and broaden its capital base through equity fundraising initiatives, including but not limited to share placements, rights issues, and other methods, when suitable and advantageous opportunities arise.

1. BASIS OF PREPARATION (CONTINUED)

1.2 Going concern (Continued)

2. Following the deconsolidation of loss-making subsidiaries, particularly those in Europe, the financial position of the Group recorded a substantial improvement. Total liabilities of the Group decreased from approximately HK\$3,796 million as at 31 December 2023 to approximately HK\$239 million as at 31 December 2024, and further to approximately HK\$223 million as at 30 June 2025.
3. As at 30 June 2025, the Group had secured total loan facilities of HK\$335 million (31 December 2024: HK\$220 million) to finance its general working capital needs. As of 30 June 2025, the Group has drawn down a total of approximately HK\$126 million (31 December 2024: HK\$109 million), leaving an unutilized loan facility balance of approximately HK\$209 million (31 December 2024: HK\$111 million). The current maturity date of the HK\$200 million loan facility and HK\$135 million loan facility are in February 2027 and September 2025 respectively, unless further extended. Additionally, the Group may pursue further financing from financial institutions with more favourable terms as opportunities arise and when necessary.
4. The Group remains committed to generating cash inflows through its predominantly licensing-focused brands management business, by securing and executing advantageous licensing agreements with financially robust and operationally capable partners. During the Period, the Group had entered into licensing agreements for Greater China and the North America markets. Subsequent to the Period, the Company also renewed its licensing agreement for Latin America. The Group continues to engage with potential strategic partners to explore licensing opportunities for its brands across various geographic locations and product categories. Furthermore, the Board will continue to evaluate potential distribution channels to expand market penetration and diversify revenue streams. At the same time, the Company continues to implement strategic measures to tighten controls over recurring operating expenses in order to further strengthen profitability.

The Board has reviewed the Group's cash flow forecast prepared by the Management covering a period of twelve months from 30 June 2025. After considering the plans and measures outlined above, the Board is of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within twelve months from 30 June 2025. The Board is therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

1.3 Discontinued operations

During the Period, the Group ceased its operations in Canada other than the licensing business, following the initiation of insolvency proceedings by its Canada subsidiary. As such, the Company's previous operations in Europe, the United States, Canada, and Hong Kong have been classified and disclosed as discontinued operations.

The financial performance of the discontinued operations is presented in the following table:

	Unaudited for the six months ended 30 June 2025 HK\$'000	Unaudited for the six months ended 30 June 2024 HK\$'000 (restated)
Revenue	-	1,531,298
Expenses	-	(5,292,870)
Gain on deconsolidation	22,105	3,650,739
Profit/(loss) before taxation	22,105	(110,833)
Taxation	-	45,254
Profit/(loss) from discontinued operations, net of tax	22,105	(65,579)
Foreign exchange translation gains from discontinued operations	-	38,357
	HK cents	HK cents
Basic and diluted profit/(loss) per share, from discontinued operations	0.78	(2.31)

The comparative consolidated statement of profit or loss and consolidated statement of comprehensive income have been restated to show the discontinued operations separately from continuing operations.

1. BASIS OF PREPARATION (CONTINUED)

1.4 Deconsolidation of subsidiaries

The insolvency proceedings of Esprit Canada Retail Limited (“Esprit Canada”), an indirect wholly-owned subsidiary of the Company, was initiated on 5 June 2025.

Result from deconsolidation

Given the Company lost control over the insolvency proceedings of Esprit Canada, the financial results of Esprit Canada was deconsolidated from those of the Group.

The effects from the deconsolidation on the consolidated financial statements for the Period are as follows:

HK\$'000	At the date of deconsolidation
Carrying amount of net liabilities disposed	22,460
Recycling of translation reserve arising from the disposal of a foreign operation	(355)
Gain on deconsolidation	22,105

1.5 Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Only market observable parameter.

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

1.6 Change in accounting policy and disclosures

The International Accounting Standards Board has issued a number of new International Financial Reporting Standard (“IFRSs”) and amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

1. BASIS OF PREPARATION (CONTINUED)

1.6 Change in accounting policy and disclosures (Continued)

(i) New and amended standards and interpretations adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2025:

Adopted	Effective date	New standards or amendments
IAS 21 (Amendments)	1 January 2025	Lack of Exchangeability

The application of the amendments to IFRSs and interpretations in the current period had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

(ii) New standards and interpretations not yet adopted

The following new standards, amendments and interpretations to existing standards and interpretations have been published that are mandatory for the Group's accounting periods on or after 1 January 2026 and have not been early adopted by the Group:

Not early adopted	Effective for accounting periods beginning on or after	New standards or amendments
IFRS 7 and IFRS 9 (Amendments)	1 January 2026	Amendments to the Classification and Measurement of Financial Instruments and Contracts Referencing Nature-dependent Electricity
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7
IFRS 18	1 January 2027	Presentation and Disclosure in Financial Statements
IFRS 19	1 January 2027	Subsidiaries without Public Accountability: Disclosures

The Group will apply the above new standards and amendments to existing standards when they become effective. The directors of the Group anticipate that the adoption of IFRS 18 and IFRS 19 will not affect the recognition or measurement of items in the condensed consolidated financial statements. It mainly has impacts on presentation and disclosure of income and expenses and adds new disclosure requirements on management-defined performance measures within the condensed consolidated financial statements. Except for that, the application of the above new standards and amendments to existing standards are not expected to have a material impact on the Group in the future reporting periods and on foreseeable future transactions.

2. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in retail and wholesale distribution and licensing business of quality fashion and non-apparel products designed under its own internationally-known brand names.

Despite the extensive restructuring initiatives undertaken in 2024, the Company remains committed to preserving the global presence of its brands and will continue its efforts to maintain and enhance the brand equity. By shifting away from its legacy business model and capital-intensive infrastructure, historically burdened by significant expenditures in sourcing, distribution and retail operations, the Company is now moving towards an asset-light, licensing-focused brands management business model. Furthermore, the Board will continue to evaluate potential distribution channels to expand market penetration and diversify revenue streams as well as consider brand portfolio expansion opportunities that align with its long-term vision when strategically suitable.

The Group has identified segments for internal and external reporting based on the regional structure of the Group and on the basis of the sales channel from both continuing and discontinued operations. Operating segments are reported in a manner consistent with the internal management reports provided to the chief operating decision-makers. The Company's executive directors have been identified as the chief operating decision-makers responsible for assessing performance and allocating resources for the reporting segments.

The operating segments for both continuing and discontinued operations other than E-shop, licensing and others are on a regional level comprising Europe, North America and Asia while the operating segments for E-shop, licensing, corporate services and sourcing activities are on a global level. As at 30 June 2025, the retail, wholesale and E-shop operations in Europe, North America and Hong Kong had ceased, thus were classified as discontinued operations, and no longer included in the note for segment information. The operating segment for Europe include North America. The results for each region are separated into retail and wholesale channel.

HK\$' 000	Unaudited for the six months ended 30 June 2025	Unaudited for the six months ended 30 June 2024 (restated)
Retail and Wholesale		
Europe	-	917,215
Asia	-	7,097
E-shop	-	583,506
Licensing and others	6,595	49,550
Revenue from external customers, total	6,595	1,557,368
- from continuing operations	6,595	26,070
America	3,814	6,843
Asia	2,325	10,840
Others	456	8,387
- from discontinued operations	-	1,531,298

2. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Unaudited for the six months ended
30 June 2025

HK\$' 000	Europe	Asia	E-shop	Licensing, corporate services, sourcing and others	Continuing operations sub-total	Discontinued operations	Group
Total revenue							
Retail, Wholesale and E-shop	-	-	-	-	-	-	-
Licensing and others ¹	-	-	-	6,595	-	-	6,595
Total	-	-	-	6,595	-	-	6,595
Inter-segment revenue	-	-	-	-	-	-	-
Revenue from external customers							
Retail, Wholesale and E-shop	-	-	-	-	-	-	-
Licensing and others	-	-	-	6,595	-	-	6,595
Total	-	-	-	6,595	-	-	6,595
Operating (loss)/profit							
Retail, Wholesale and E-shop	-	-	-	-	-	-	-
Licensing and others	-	-	-	(19,073)	(19,073)	22,105	3,032
Total	-	-	-	(19,073)	(19,073)	22,105	3,032
Interest income					101	-	101
Finance costs					(1,829)	-	(1,829)
(Loss)/profit before taxation					(20,801)	22,105	1,304
Depreciation²							
Retail, Wholesale and E-shop	-	-	-	-	-	-	-
Licensing and others	-	-	-	(2,754)	(2,754)	-	(2,754)
Total	-	-	-	(2,754)	(2,754)	-	(2,754)
Capital expenditure³							
Retail, Wholesale and E-shop	-	-	-	-	-	-	-
Licensing and others	-	-	-	(14)	(14)	-	(14)
Total	-	-	-	(14)	(14)	-	(14)

¹ Mainly represent licensing business.

² Depreciation includes depreciation of property, plant and equipment and right-of-use assets.

³ Capital expenditure includes property, plant and equipment.

2. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Unaudited for the six months ended
30 June 2024 (restated)

HK\$' 000	Europe ¹	Asia	E-shop	Licensing, corporate services, sourcing and others	Continuing operations sub-total	Discontinued operations	Group
Total revenue							
Retail	-	-	-	-	-	376,127	376,127
Wholesale	-	-	-	-	-	548,185	548,185
E-shop	-	-	-	-	-	583,506	583,506
Licensing and others ²	-	-	-	28,907	28,907	715,641	744,548
Total	-	-	-	28,907	28,907	2,223,459	2,252,366
Inter-segment revenue	-	-	-	(2,837)	(2,837)	(692,161)	(694,998)
Revenue from external customers							
Retail	-	-	-	-	-	376,127	376,127
Wholesale	-	-	-	-	-	548,185	548,185
E-shop	-	-	-	-	-	583,506	583,506
Licensing and others	-	-	-	26,070	26,070	23,480	49,550
Total	-	-	-	26,070	26,070	1,531,298	1,557,368
Operating profit/(loss)							
Retail	-	-	-	-	-	(566,413)	(566,413)
Wholesale	-	-	-	-	-	(33,039)	(33,039)
E-shop	-	-	-	-	-	(53,850)	(53,850)
Licensing and others	19,564	10,728	-	(26,196)	4,096	564,429	568,525
Total	19,564	10,728	-	(26,196)	4,096	(88,873)	(84,777)
Interest income					1,001	-	1,001
Finance costs					(70)	(21,960)	(22,030)
Profit/(loss) before taxation					5,027	(110,833)	(105,806)
Depreciation³							
Retail	-	-	-	-	-	(84,649)	(84,649)
Wholesale	-	-	-	-	-	(14,174)	(14,174)
E-shop	-	-	-	-	-	(20,023)	(20,023)
Licensing and others	-	-	-	(2,467)	(2,467)	(73,600)	(76,067)
Total	-	-	-	(2,467)	(2,467)	(192,446)	(194,913)
Impairment loss⁴							
Retail	-	-	-	-	-	(324,533)	(324,533)
Licensing and others	-	-	-	-	-	(1,396,560)	(1,396,560)
Total	-	-	-	-	-	(1,721,093)	(1,721,093)
Capital expenditure⁵							
Retail	-	-	-	-	-	(1,792)	(1,792)
Wholesale	-	-	-	-	-	(479)	(479)
E-shop	-	-	-	-	-	(3,328)	(3,328)
Licensing and others	-	-	-	(23)	(23)	(2,566)	(2,589)
Total	-	-	-	(23)	(23)	(8,165)	(8,188)

¹ Figures for North America have not been separated out due to the region's limited financial contribution to the Group.

² Mainly represent licensing business.

³ Depreciation includes depreciation of property, plant and equipment and right-of-use assets.

⁴ Impairment loss includes impairment loss on trademarks, goodwill, property, plant and equipment and right-of-use assets.

⁵ Capital expenditure includes property, plant and equipment and intangible assets.

3. OPERATING (LOSS)/PROFIT

The following items have been charged/(credited) to arriving at operating (loss)/profit and represent only material items:

HK\$' 000	Unaudited for the six months ended 30 June 2025	Unaudited for the six months ended 30 June 2024 (restated)
Continuing operations		
Staff costs	18,064	70,761
Occupancy costs	2,976	1,721
Logistics expenses	-	694
Depreciation of property, plant and equipment (Note 11)	47	843
Depreciation of right-of-use assets (Note 10)	2,707	1,624
Net foreign exchange translation losses	1,395	29,019
Information technology expenses	2,331	2,328
Legal and professional fees (reversal)/charge	(6,260)	31,565
Insurance	1,264	1,367
Travelling-related expenses	263	2,489
Printing	328	625
Withholdings tax	763	1,441
Gain on disposal of property, plant and equipment	-	(1,536)
Loss on the change of fair value of financial assets	241	794
Claims received	-	(128,591)

4. INTEREST INCOME

HK\$' 000	Unaudited for the six months ended 30 June 2025	Unaudited for the six months ended 30 June 2024 (restated)
Continuing operations		
Interest from bank deposits	14	1,001
Interest from loan to a joint venture	74	-
Others	13	-
Total interest income	101	1,001

5. FINANCE COSTS

HK\$' 000	Unaudited for the six months ended 30 June 2025	Unaudited for the six months ended 30 June 2024 (restated)
Continuing operations		
Interest on lease liabilities	48	55
Interest on borrowings	1,781	-
Others	-	15
Total finance costs	1,829	70

6. TAXATION

HK\$' 000	Unaudited for the six months ended 30 June 2025	Unaudited for the six months ended 30 June 2024 (restated)
Continuing operations		
Current tax		
Overseas taxation		
Provision for current period	-	-
Under-provision/ (over-provision) for prior periods	3	(39)
	3	(39)
Deferred tax		
Other origination and temporary differences	-	(4,054)
Total taxation expense/(credit)	3	(4,093)

Hong Kong profits tax is calculated at 16.5% (for the six months ended 30 June 2024: 16.5%) on the estimated assessable profit for the Period, net of tax losses carried forward, if applicable. The deferred tax credit for the Corresponding Period mainly relates to the reversal of temporary differences.

Overseas (outside of Hong Kong) taxation has been calculated on the estimated assessable profit for the six months ended 30 June 2025 at the rates of taxation prevailing in the countries in which the Group companies operate, net of tax losses carried forward, if applicable.

7. INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the Period (for the six months ended 30 June 2024: Nil).

8. PROFIT/(LOSS) PER SHARE

Basic

Basic profit/(loss) per share is calculated by dividing the profit/(loss) attributable to Shareholders by the weighted average number of ordinary shares in issue during the Period less shares held for share award scheme.

	Unaudited for the six months ended 30 June 2025	Unaudited for the six months ended 30 June 2024 (restated)
Profit/(loss) attributable to shareholders of the Company (HK\$' 000)	1,301	(56,459)
Number of ordinary shares in issue at 1 January (' 000)	2,830,817	2,830,817
Weighted average number of ordinary shares in issue less shares held for share award scheme (' 000)	2,830,817	2,830,817
Basic profit/(loss) per share (HK cents per share)	0.05	(1.99)
- from continuing operations (HK cents per share)	(0.73)	0.32
- from discontinued operations (HK cents per share)	0.78	(2.31)

Diluted

Diluted profit/(loss) per share is calculated by dividing the profit/(loss) attributable to Shareholders by the weighted average number of ordinary shares in issue during the Period (less shares held for share award scheme) adjusted by the dilutive effect of share options and awarded shares.

	Unaudited for the six months ended 30 June 2025	Unaudited for the six months ended 30 June 2024 (restated)
Profit/(loss) attributable to shareholders of the Company (HK\$' 000)	1,301	(56,459)
Weighted average number of ordinary shares in issue less shares held for share award scheme (' 000)	2,830,817	2,830,817
Weighted average number of ordinary shares for diluted earnings per share (' 000)	2,830,817	2,830,817
Diluted profit/(loss) per share (HK cents per share)	0.05	(1.99)
-from continuing operations (HK cents per share)	(0.73)	0.32
-from discontinued operations (HK cents per share)	0.78	(2.31)

Diluted profit/(loss) per share for the Period was the same as the basic profit/(loss) per share since the share options and awarded shares had anti-dilutive effect.

9. INTANGIBLE ASSETS

HK\$' 000	Unaudited for the six months ended 30 June 2025	Unaudited for the six months ended 30 June 2024 (restated)
Balance at beginning of the period	267,928	1,296,326
Exchange translation	2,935	(40,663)
Additions	-	2,994
Amortization charge for the period	-	(6,499)
- from discontinued operations	-	(6,499)
Impairment loss for period	-	(533,862)
- from discontinued operations	-	(533,862)
Deconsolidation of subsidiaries	-	(148,327)
Classified as held for sale	-	(208,973)
Balance at end of the period	270,863	360,996

10. RIGHT-OF-USE ASSETS

HK\$' 000	Unaudited for the six months ended 30 June 2025	Unaudited for the six months ended 30 June 2024 (restated)
Balance at beginning of the period	2,456	1,279,735
Exchange translation	97	(26,262)
Additions	3,049	120,405
Disposals	(676)	(40,498)
Depreciation for the period	(2,707)	(161,127)
– from continuing operations	(2,707)	(1,624)
– from discontinued operations	-	(159,503)
Impairment loss for the period	-	(1,052,932)
– from discontinued operations	-	(1,052,932)
Deconsolidation of subsidiaries	-	(12,321)
Balance at end of the period	2,219	107,000

11. PROPERTY, PLANT AND EQUIPMENT

HK\$' 000	Unaudited for the six months ended 30 June 2025	Unaudited for the six months ended 30 June 2024 (restated)
Balance at beginning of the period	105	177,230
Exchange translation	(15)	(3,441)
Additions	14	5,194
Disposals	(4)	(5,063)
Depreciation for the period	(47)	(33,786)
– from continuing operations	(47)	(843)
– from discontinued operations	-	(32,943)
Impairment loss for the period	-	(134,299)
– from discontinued operations	-	(134,299)
Deconsolidation of subsidiaries	-	(2,328)
Balance at end of the period	53	3,507

12. JOINT VENTURE

As at 30 June 2025, the Group owns interest in joint venture which is shown in the table below.

Name of joint venture	Place of incorporation/operation	Attributable equity interest to the Group	Issued and fully paid share capital/registered capital	Principal activities
Sew Solution Limited	Hong Kong	50%	HK\$10,000,000	wholesale garment knitting

The carrying amount of the interest in a joint venture is shown in the table below.

HK\$' 000	Unaudited As at 30 June 2025	Audited As at 31 December 2024 (restated)
Unlisted shares	5,000	5,000
Share of losses	(5,000)	(5,000)
Total	-	-

Loans to a joint venture consists of the following:

HK\$' 000	Unaudited As at 30 June 2025	Audited As at 31 December 2024 (restated)
- Interest-free, secured and repayable on demand (note 1)	42,622	42,122
- Interest bearing, unsecured and repayable within 12 months (note 2)	2,500	2,500
Less: provision for impairment of loan	(23,179)	(23,179)
Total	21,943	21,443

Note 1: As at 30 June 2025, the interest-free loan was secured by the entire shares of the joint venture held by the third party. With reference to the financial condition of the joint venture, the directors of the Company consider the balance is credit-impaired (stage 3) during the Period ended 30 June 2025 and the fair value of the collateral is minimal. Interest revenue on the credit-impaired loan is recognized by applying the effective interest rate to the net carrying amount. There was no movement in the loss allowance during the Period.

Note 2: Fixed interest rate at 6.0% per annum.

13. CURRENT DEBTORS, DEPOSITS AND PREPAYMENTS

Current debtors, deposits and prepayments consist of the following financial and non-financial positions:

HK\$'000	Unaudited As at 30 June 2025	Audited As at 31 December 2024 (restated)
Accounts receivable	16,792	14,508
Less: provision for impairment of accounts receivable	(14,082)	(13,758)
Net accounts receivable	2,710	750
Deposits	266	4,952
Prepayments	10,095	22,133
Other receivables	19,973	6,356
Total	33,044	34,191

The aging analysis by invoice date of accounts receivable net of provision for impairment is as follows:

HK\$'000	Unaudited As at 30 June 2025	Audited As at 31 December 2024 (restated)
0-30 days	1,393	750
31-60 days	1,317	-
61-90 days	-	-
Over 90 days	-	-
Total	2,710	750

The Group grants credit period, which is usually 30 to 60 days.

Movements in provision for impairment of accounts receivable are as follows:

HK\$'000	Unaudited for the six months ended 30 June 2025	Unaudited for the six months ended 30 June 2024 (restated)
Balance at beginning of the period	13,758	128,741
Utilization	-	(2,264)
Provision for impairment of accounts receivable, net	-	307,708
– from discontinued operations	-	307,708
Exchange translation	324	(23,600)
Deconsolidation of subsidiaries	-	(396,372)
Balance at end of the period	14,082	14,213

14. CASH, BANK BALANCES AND DEPOSITS

Cash, bank balances and deposits include the following for the purposes of the condensed consolidated statement of cash flows:

HK\$'000	Unaudited As at 30 June 2025	Audited As at 31 December 2024 (restated)
Bank balances and cash	63,735	79,436
Total	63,735	79,436

15. CREDITORS AND ACCRUED CHARGES

HK\$'000	Unaudited As at 30 June 2025	Audited As at 31 December 2024 (restated)
Accounts payable	-	8,341
Accruals	13,061	29,955
Other payables	34,667	27,611
Total	47,728	65,907

The aging analysis by invoice date of accounts payable are as follows:

HK\$'000	Unaudited As at 30 June 2025	Audited As at 31 December 2024 (restated)
0-30 days	-	-
31-60 days	-	1,016
61-90 days	-	-
Over 90 days	-	7,325
Total	-	8,341

The carrying amounts of creditors and accrued charges approximate their fair values.

16. PROVISIONS

Provisions consist of the following:

HK\$'000	Unaudited As at 30 June 2025	Audited As at 31 December 2024 (restated)
Reinstatement	1,592	1,288
Provision total	1,592	1,288

Reinstatement provision is accounted by the estimated cost for reinstating the status of leased properties.

17. LEASE LIABILITIES

HK\$'000	Unaudited for the six months ended 30 June 2025	Unaudited for the six months ended 30 June 2024 (restated)
Balance at beginning of the period	16,311	1,955,161
Exchange translation	1,008	(54,487)
Additions	3,049	139,269
Interest expense	48	21,016
– from continuing operations	48	(2,097)
– from discontinued operations	–	(18,919)
Repayments of lease liabilities	(2,609)	(233,361)
– from continuing operations	(2,609)	(3,128)
– from discontinued operations	–	(230,233)
Disposal	(713)	(31,570)
Deconsolidation of subsidiaries	(15,430)	(1,455,148)
Balance at end of the period	1,664	340,880

	As at 30 June 2025	As at 31 December 2024 (restated)
Within 1 year	627	16,311
Between 1 and 5 years	1,037	–
Lease liabilities total	1,664	16,311

18. LONG-TERM BORROWINGS

HK\$'000	As at 30 June 2025	As at 31 December 2024 (restated)
Long-term borrowings:		
– Secured	125,755	109,000

As at 30 June 2025, long-term borrowings of approximately HK\$125,755,000 were mainly secured by:

- All the undertakings, properties and assets of two subsidiaries of the Company. The assets held by these subsidiaries include trademarks of the Group with an aggregate carrying amount of approximately HK\$270,863,000 at the Group level as of 30 June 2025;
- The shares of a subsidiary of the Company; and
- The loan receivables owing by a joint venture to the Group with the carrying amount of approximately HK\$21,943,000 as at 30 June 2025.

As at 30 June 2025, all long-term borrowings are repayable between one to five years after the end of reporting period and had been classified as non-current liabilities.

As at 30 June 2025, all long-term borrowings are fixed rate borrowings. The average effective interest rate as at 30 June 2025 of long-term borrowings was 6.2% (31 December 2024: 10.0%). The carrying amounts of borrowings are principally denominated in HK\$.

As at 30 June 2025, the Group has the undrawn borrowing facilities of approximately HK\$209,245,000.

19. SHARE CAPITAL

	Number of shares of HK\$0.10 each '000 (restated)	Unaudited HK\$'000 (restated)
Authorized:		
At 1 January 2025 and 30 June 2025	30,000,000	3,000,000
At 1 January 2024 and 30 June 2024	30,000,000	3,000,000

	Number of shares of HK\$0.10 each '000 (restated)	Unaudited Nominal value HK\$'000 (restated)
Issued and fully paid:		
At 1 January 2025 and 30 June 2025	2,830,817	283,082
At 1 January 2024 and 30 June 2024	2,830,817	283,082

(a) Share options

The Company adopted a share option scheme on 10 December 2009 (the “2009 Share Option Scheme”). The 2009 Share Option Scheme was terminated on 5 December 2018, notwithstanding that the share options which have been granted and remained outstanding shall continue to be valid and exercisable subject to and in accordance with the terms on which the share options were granted, the provisions of the 2009 Share Option Scheme and the Listing Rules.

19. SHARE CAPITAL (CONTINUED)

The Company adopted a new share option scheme on 5 December 2018 (the “**2018 Share Option Scheme**”). The option mandate limit of the 2018 Share Option Scheme has been refreshed upon the Shareholders’ approval at the special general meeting of the Company held on 6 July 2021, the details of which were disclosed in the circular of the Company dated 15 June 2021. During the Period, no share options were granted. As at 30 June 2025, the number of share options available for grant under the 2018 share option scheme mandate is 283,081,734.

(b) Awarded shares

The Company adopted a share award scheme on 6 July 2021 (the “**Share Award Scheme**”). The purpose of the Share Award Scheme is to recognize the contributions by certain eligible participants (including any employee, consultant, executive or officer, director and senior management of any member of the Group), and to provide them incentives; and to attract suitable personnel with relevant experience in the Group’s business. The details of the Share Award Scheme were disclosed in the circular of the Company dated 15 June 2021.

As no approval for refreshment of annual limit under the Share Award Scheme was sought at the annual general meeting of the Company held on 19 June 2023, no share awards were available for grant, thereafter, including as at 30 June 2025. During the Period, there was no movement for the awarded shares under the Share Award Scheme. There were no outstanding awarded shares under the Share Award Scheme as at 30 June 2025.

20. CONTINGENT LIABILITIES

As at 30 June 2025 and 31 December 2024, the Group was subject to a potential claim arising from the early termination of a lease agreement, where the relevant subsidiary is undergoing insolvency proceedings. Negotiations have taken place but as of the date of this report no settlement agreement has been signed. It is anticipated that the potential claim in a settlement scenario would be no more than HK\$14 million. The lease deposit provided by the Group to the landlord has already been applied thereby reducing any potential settlement amount.

As at the date of this report, the matter remains under review and is subject to ongoing legal negotiation. No provision has been recognized in the financial statements as the landlord has a duty to take reasonable actions to re-rent the premises to mitigate the compensation amount, and the amount cannot be measured with sufficient reliability at this stage. The Group will continue to monitor the situation and reassess the need for a provision as more information becomes available.

As at 30 June 2025, save for those disclosed elsewhere in this report, the Company did not have significant contingent liabilities (31 December 2024: nil).

21. EVENT AFTER THE REPORTING PERIOD

On 21 July 2025, the Board proposed to (i) implement a capital reorganization involving the share consolidation, capital reduction and share sub-division (the “**Capital Reorganization**”) and (ii) change the board lot size for trading on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) from 2,500 existing shares to 10,000 new shares (the “**Change in Board Lot Size**”). The Capital Reorganization and the transactions contemplated thereunder, together with the Change in Board Lot Size, were approved by the Shareholders at the special general meeting held on 21 August 2025. The Capital Reorganization and the Change in Board Lot Size became effective on 25 August 2025. For further details, please refer to the announcement of the Company dated 21 July 2025, the circular of the Company dated 5 August 2025, and the poll results announcement of the Company dated 21 August 2025.

22. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and restated to conform to the current period’s presentation and accounting treatment.

Other Information

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

As at 30 June 2025, none of the Directors and chief executives of the Company or their respective associates had any interests or short positions, whether beneficial or non-beneficial, 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 (Chapter 571 of the laws of Hong Kong (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 of the Listing Rules.

SHARE OPTION SCHEMES

2009 Share Option Scheme

The Company adopted the 2009 Share Option Scheme on 10 December 2009, which was terminated on 5 December 2018. Notwithstanding its termination, the share options which were granted and remained outstanding shall continue to be valid and exercisable subject to and in accordance with the terms on which the share options were granted, the provisions of the 2009 Share Option Scheme and the Listing Rules. A summary of the movements of the outstanding share options under the 2009 Share Option Scheme during the Period is as follows:

	Date of Grant (dd/mm/yyyy)	Exercise Price (HK\$)	Adjusted ¹ Exercise Price (HK\$)	Vesting Date (dd/mm/yyyy)	Exercise Period (dd/mm/yyyy)	Number of share options							
						As at 01/01/2025	Granted	Transferred in	Exercised	Transferred out	Lapsed	Forfeited	As at 30/06/2025
Employees	13/10/2015	6.550	6.230	13/10/2018	13/10/2018 – 12/10/2025	105,179	-	-	-	-	-	-	105,179
	31/10/2016	6.870	6.530	31/10/2019	31/10/2019 – 30/10/2026	105,179	-	-	-	-	-	-	105,179
	07/11/2017	4.650	4.420	07/11/2020	07/11/2020 – 06/11/2027	105,179	-	-	-	-	-	-	105,179
	25/06/2018	2.660	2.530	25/06/2021	25/06/2021 – 24/06/2028	105,179	-	-	-	-	-	-	105,179
	In aggregate					420,716	-	-	-	-	-	-	420,716

SHARE OPTION SCHEMES (CONTINUED)

2009 Share Option Scheme (Continued)

	Date of Grant (dd/mm/yyyy)	Exercise Price (HK\$)	Adjusted ¹ Exercise Price (HK\$)	Vesting Date (dd/mm/yyyy)	Exercise Period (dd/mm/yyyy)	Number of share options							
						As at 01/01/2025	Granted	Transferred in	Exercised	Transferred out	Lapsed	Forfeited	As at 30/06/2025
Others ²	13/10/2015	6.550	6.230	13/10/2018	13/10/2018 – 12/10/2025	473,307	-	-	-	-	-	-	473,307
	31/10/2016	6.870	6.530	31/10/2019	31/10/2019 – 30/10/2026	736,255	-	-	-	-	-	-	736,255
	07/11/2017	4.650	4.420	07/11/2020	07/11/2020 – 06/11/2027	578,487	-	-	-	-	-	-	578,487
	25/06/2018	2.660	2.530	25/06/2021	25/06/2021 – 24/06/2028	841,434	-	-	-	-	-	-	841,434
	28/09/2018	1.884	1.790	28/09/2021	28/09/2021 – 27/09/2028	2,629,481	-	-	-	-	-	-	2,629,481
	In aggregate					5,258,964	-	-	-	-	-	-	5,258,964
Total						5,679,680	-	-	-	-	-	-	5,679,680

Notes:

1. The exercise price per share of the Company payable upon exercise of the outstanding share options granted under the 2009 Share Option Scheme was adjusted on 21 April 2021 as a result of the rights issue effective on that date. Details of the adjustments were set out in the announcement of the Company dated 20 April 2021.
2. Former employees/directors of the Group who were the employees/directors of the Group at the time of the relevant grants.
3. No share options granted under the 2009 Share Option Scheme were exercised, lapsed or cancelled during the Period.
4. No share options were granted to the suppliers of the Group during the Period.
5. The 2009 Share Option Scheme was adjusted subsequent to the Period end as a result of the capital reorganization effective 25 August 2025. Details of the adjustments are set out in the announcement of the Company dated 21 August 2025.

SHARE OPTION SCHEMES (CONTINUED)

2018 Share Option Scheme

The Company adopted the 2018 Share Option Scheme on 5 December 2018. The option mandate limit of the 2018 Share Option Scheme has been refreshed upon the shareholders' approval at the special general meeting of the Company held on 6 July 2021. A summary of the movements of the outstanding share options under the 2018 Share Option Scheme during the Period is as follows:

	Date of Grant (dd/mm/yyyy)	Exercise Price (HK\$)	Adjusted ¹ Exercise Price (HK\$)	Vesting Date (dd/mm/yyyy)	Exercise Period (dd/mm/yyyy)	Number of share options							As at 30/06/2025
						As at 01/01/2025	Granted	Transferred in	Exercised	Transferred out	Lapsed	Forfeited	
Employees	10/12/2019	1.604	1.530	19/09/2022	19/09/2022 - 09/12/2029	105,179	-	-	-	-	-	-	105,179
Others ²	10/12/2019	1.604	1.530	19/09/2022	19/09/2022 - 09/12/2029	1,262,152	-	-	-	-	-	-	1,262,152
Total						1,367,331	-	-	-	-	-	-	1,367,331

Notes:

- The exercise price per share of the Company payable upon exercise of the outstanding share options granted under the 2018 Share Option Scheme was adjusted on 21 April 2021 as a result of the rights issue effective on that date. Details of the adjustments were set out in the announcement of the Company dated 20 April 2021.
- Former employees/directors of the Group, who were the employees/directors of the Group at the time of the relevant grant.
- No share options granted under the 2018 Share Option Scheme were exercised, lapsed or cancelled during the Period.
- No share options were granted to the suppliers of the Group during the Period.
- The number of share options available for grant under the 2018 Share Option Scheme mandate as at 1 January 2025 and 30 June 2025 was 283,081,734, respectively.
- As no options were granted during the Period, the number of shares in the Company that may be issued in respect of options granted under the 2018 Share Option Scheme during the Period divided by the weighted average number of shares in the Company in issue for the Period is nil.
- The 2018 Share Option Scheme was adjusted subsequent to the Period end as a result of the capital reorganization effective 25 August 2025. Details of the adjustments are set out in the announcement of the Company dated 21 August 2025.

SHARE AWARD SCHEME

The Company adopted a share award scheme on 6 July 2021. During the Period, there was no movement of awarded shares for the Share Award Scheme. Moreover, there were no outstanding awarded shares under the Share Award Scheme as at 30 June 2025. As no approval for refreshment of annual limit under the Share Award Scheme was sought at the annual general meeting of the Company held on 19 June 2023, no share awards were available for grant under the Share Award Scheme as at 30 June 2025 and the number of shares in the Company that may be issued in respect of awards granted under the Share Award Scheme during the Period divided by the weighted average number of shares in the Company for the Period is nil.

During the Period, no share award was granted, vested, cancelled or lapsed under the Share Award Scheme to any Directors or other grantees and there were no unvested awarded shares granted under the Share Award Scheme at the beginning and at the end of the Period. On 30 June 2025, the Board resolved to terminate the Share Award Scheme in accordance with the terms of the Share Award Scheme. Such early termination shall not affect any subsisting rights of selected grantees as no awards remain unvested or which have vested but not yet been issued to a selected grantee immediately prior to termination. Upon early termination of the Share Award Scheme on 30 June 2025, apart from the 2009 and 2018 Share Option Schemes, the Company or any of its principal subsidiaries have no other scheme involving issue of new shares as at 30 June 2025 and at the date of this interim report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Period or at the end of the Period was the Company or its subsidiaries a party to any arrangement that enabled the Directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CHANGES IN INFORMATION OF DIRECTORS

During the Period and up to the date of this report, there were changes in the composition of the Board as follows:

- Mr. GILES William Nicholas resigned as an Independent Non-Executive Director of the Company with effect from 24 January 2025.
- Mr. YU Chung Leung was appointed as an Independent Non-Executive Director of the Company with effect from 24 January 2025.
- Mr. STRIPPOLI Anthony Nicola resigned as an Executive Director of the Company with effect from the close of business on 28 February 2025.
- Mr. CHUNG Kwok Pan resigned as an Independent Non-Executive Director of the Company with effect from the close of business on 28 February 2025.
- Mr. HA Kee Choy resigned as an Independent Non-Executive Director of the Company with effect from the close of business on 28 February 2025.
- Ms. LIU Tsui Fong was appointed as an Independent Non-Executive Director of the Company with effect from the close of business on 28 February 2025.

Save as disclosed herein, there is no change in information of the Directors since publication of the annual report of the Company for the year ended 31 December 2024, which are required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2025, the following shareholders had interests or short positions in the shares and underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholders	Capacity	Number of shares (Long position)	Approximate percentage of aggregate interest to total issued share capital
LO Ki Yan Karen ("Ms. LO") (Note 1)	Beneficial owner	425,614,200	28.23%
	Interest in a controlled corporation	373,523,450	
North Point Talent Limited (Note 1)	Beneficial owner	364,782,600	12.89%
Planetree Securities Limited (Note 2)	Beneficial owner	1,250,000	0.04%
Green River Associates Limited (Note 2)	Beneficial owner	7,490,850	0.26%

Notes:

1. Ms. LO is the sole shareholder of North Point Talent Limited. Therefore, Ms. LO was deemed to be interested in the 364,782,600 shares held by North Point Talent Limited.
2. Planetree Securities Limited and Green River Associates Limited are the subsidiary and associate of Planetree International Development Limited, HK stock code 613 ("Planetree"), respectively where Ms. LO is the substantial shareholder of Planetree and was deemed to be interested in the 1,250,000 shares and 7,490,850 shares held by Planetree Securities Limited and Green River Associates Limited, respectively.

Save as disclosed hereinabove, the Company has not been notified by any person who had interest or short position in the shares or underlying shares of the Company as at 30 June 2025 which were required to be notified to the Company pursuant to Part XV of the SFO or which are recorded in the register required to be kept by the Company under section 336 of the SFO.

AUDIT COMMITTEE

The Audit Committee currently comprises three Independent Non-executive Directors, namely Mr. LO Kin Ching Joseph, Mr. YU Chung Leung and Ms. LIU Tsui Fong. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the financial reporting process and internal control system, to oversee the audit process and the Company's relations with the auditors, and to perform other duties as assigned by the Board.

During the Period, the Audit Committee has reviewed the accounting policies and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters. The condensed consolidated interim financial information of the Group for the Period had not been audited or reviewed by auditors but had been reviewed by the Audit Committee.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's shares during the Period.

CORPORATE GOVERNANCE

Throughout the Period, the Company has applied the principles of, and complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code as set out in Appendix C3 of the Listing Rules. The Company has made specific enquiry with all Directors and all of them confirmed that they have complied with the required standard set out in the Model Code for the Period.

AMERICAN DEPOSITARY RECEIPT PROGRAM

The Company has established a Level 1 sponsored American Depositary Receipt ("ADR") program with details as stated hereunder:

Symbol	ESPGY
CUSIP	29666V204
ISIN	US29666V2043
Ratio	2 ordinary shares: 1 ADR
Country	Hong Kong
Effective Date	5 January 2015
Depository	Deutsche Bank Trust Company Americas

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to all our staff for their diligence and dedication, plus my sincere appreciation to all customers, business partners and the shareholders for their continuing supports.

On behalf of the Board
Esprit Holdings Limited

CHIU Christin Su Yi
Chairperson

Hong Kong, 27 August 2025

