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HARBOUR EQUINE HOLDINGS LIMITED

維港育馬控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8377)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025 AND SUPPLEMENTAL INFORMATION IN RELATION TO ANNUAL REPORT 2024

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Harbour Equine Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

INTERIM RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2025, together with the comparative unaudited figures for the corresponding period in 2024, which are presented in Hong Kong dollars (“**HK\$**”) as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
	Note	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	4	16,651	20,715
Cost of sales		<u>(11,491)</u>	<u>(22,745)</u>
Gross profit/(loss)		5,160	(2,030)
Other gains and (losses), net	5	10,940	(860)
Selling and distribution expenses		–	(1,101)
Administrative expenses		(2,782)	(7,317)
Finance costs	6	<u>(1,179)</u>	<u>(2,175)</u>
PROFIT/(LOSS) BEFORE TAX	7	12,139	(13,483)
Income tax expense	8	<u>(133)</u>	–
PROFIT/(LOSS) FOR THE PERIOD		<u>12,006</u>	<u>(13,483)</u>
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT		<u>12,006</u>	<u>(13,483)</u>
PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT			
Basic and diluted (expressed in HK cents per share)	10	<u>2.93</u>	<u>(3.30)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
PROFIT/(LOSS) FOR THE PERIOD	<u>12,006</u>	<u>(13,483)</u>
OTHER COMPREHENSIVE LOSS		
Exchange differences on translation of foreign operations	<u>(2,326)</u>	<u>(1,577)</u>
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	<u>(2,326)</u>	<u>(1,577)</u>
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	<u>9,680</u>	<u>(15,060)</u>
ATTRIBUTABLE TO OWNERS OF THE PARENT	<u>9,680</u>	<u>(15,060)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at 30 June 2025	As at 31 December 2024
	<i>Notes</i>	HK\$'000 (unaudited)	HK\$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		44	648
Right-of-use assets		37	260
Goodwill		6,683	6,683
		6,764	7,591
CURRENT ASSETS			
Inventories		2,150	2,150
Biological assets		514	482
Trade receivables	<i>11</i>	13,342	10,985
Contract assets		1,597	7,249
Prepayments, other receivables and other assets		3,336	2,136
Tax recoverable		–	293
Cash and cash equivalents		3,149	3,784
		24,088	27,079
Assets classified as held for sales		–	6,478
		24,088	33,557
CURRENT LIABILITIES			
Trade payables	<i>12</i>	4,600	6,721
Other payables and accruals		10,831	9,632
Lease liabilities		39	393
Tax payable		4	272
		15,474	17,018
Liabilities associated with assets classified as held for sale		–	16,307
		15,474	33,325

		As at 30 June 2025 <i>Notes</i> HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
NET CURRENT ASSETS		<u>8,614</u>	<u>232</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>15,378</u>	<u>7,823</u>
NON-CURRENT LIABILITIES			
Borrowings		20,750	22,610
Lease liabilities		–	265
Deferred tax liabilities		1	1
Retirement benefit obligations		<u>146</u>	<u>146</u>
		<u>20,897</u>	<u>23,022</u>
NET LIABILITIES		<u>(5,519)</u>	<u>(15,199)</u>
CAPITAL AND RESERVES			
Share capital	13	20,457	20,457
Reserves		<u>(25,976)</u>	<u>(35,656)</u>
TOTAL EQUITY		<u>(5,519)</u>	<u>(15,199)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Statutory surplus reserve HK\$'000	Share option reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
As at 1 January 2024 (audited)	20,457	130,674	(1,000)	5,670	4,942	5,196	(146,551)	19,388
Loss for the period	-	-	-	-	-	-	(13,483)	(13,483)
Other comprehensive loss for the period:								
Exchange difference on translation of foreign operation	-	-	-	-	-	(1,577)	-	(1,577)
Total comprehensive loss for the period	-	-	-	-	-	(1,577)	(13,483)	(15,060)
Lapse of equity-settled share option	-	-	-	-	(2,485)	-	2,485	-
As at 30 June 2024 (unaudited)	<u>20,457</u>	<u>130,674</u>	<u>(1,000)</u>	<u>5,670</u>	<u>2,457</u>	<u>3,619</u>	<u>(157,549)</u>	<u>4,328</u>
	Share capital HK\$'000	Share Premium HK\$'000	Merger reserve HK\$'000	Statutory surplus reserve HK\$'000	Share Option reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
At 1st January, 2025	20,457	130,674	(1,000)	5,670	1,331	7,620	(179,951)	(15,199)
Profit for the year	-	-	-	-	-	-	12,006	12,006
Exchange difference on translation of foreign operation	-	-	-	-	-	(2,326)	-	(2,326)
Total comprehensive profit for the period	-	-	-	-	-	(2,326)	12,006	9,680
Lapse of disposal of subsidiaries	-	-	-	(5,670)	-	(5,306)	10,976	-
At 30th June, 2025	<u>20,457</u>	<u>130,674</u>	<u>(1,000)</u>	<u>-</u>	<u>1,331</u>	<u>(12)</u>	<u>(156,969)</u>	<u>5,519</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	For the six months ended 30 June	
		2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		12,006	(13,483)
Adjustments for:			
Finance costs	6	1,179	2,175
Bank interest income	5	(1)	(1)
Depreciation of right-of-use assets	7	223	408
Depreciation of fixed assets	7	77	544
Gain on disposal of subsidiaries	5	(10,848)	–
Loss on disposal of investment property	7	–	100
Loss/(gain) on disposal of items of property, plant and equipment	7	46	(976)
Fair value loss on investment property	7	–	700
Loss on disposal of biological assets	7	–	2,622
Gain on termination of lease contract	7	–	(19)
Operating cash flows before movements in working capital		2,682	(7,930)
Decrease in inventories		–	1,707
(Increase)/Decrease in trade receivables		(2,357)	65
(Increase) in prepayments, other receivables and other assets		(917)	(56)
Decrease/(increase) in contract assets		5,653	(463)
(Increase)/decrease in biological assets		(32)	8,770
Decrease in trade payables		(2,121)	(4,787)
Increase in other payables and accruals		2,434	6,236
Cash generated from in operations		5,342	3,542
Interest received		1	1
Interest paid		(1,179)	(2,175)
Tax refund		25	288
Net cash flows generated from operating activities		4,189	1,656

	For the six months ended 30 June	
	2025	2024
<i>Notes</i>	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investment property	–	3,500
Proceeds from disposal of fixed assets	–	4,380
Purchase of fixed assets	(20)	(203)
Repayment of lease liabilities	(618)	(472)
	<hr/>	<hr/>
Net cash flows (used in) generated from investing activities	(638)	7,205
	<hr/> <hr/>	<hr/> <hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
New borrowings	–	8,702
Repayments of borrowings	(1,860)	(16,022)
	<hr/>	<hr/>
Net cash flows (used in) financing activities	(1,860)	(7,320)
	<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	1,691	1,541
Cash and cash equivalents at beginning of period	3,784	4,123
Effect of foreign exchange rate changes, net	(2,326)	(1,577)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,149	4,087
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands on 18 August 2016. The registered office address of the Company is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. During the year, the Company's subsidiaries were principally engaged in the manufacture and selling of sewing threads and broad categories of garment accessories, provision of interior design, interior decoration and furnishing services, provision of trading of bloodstock, stallion services and equine handling services and provision of advisory on securities, corporate finance and asset management services.

In the opinion of the Directors, the ultimate holding company of the Group is Three Gates Investment Limited, which was incorporated in the British Virgin Islands ("BVI") with limited liability and is controlled by Mr. Wong Kwok Wai, Albert.

As at the date of this report, the Company has direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	Place of incorporation/ registration and operations	Nominal value of issued ordinary/ paid-up/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shen You (China) Limited	Hong Kong	HK\$10,000,000	100%	–	Investment holding
申酉辰鑫企業（上海）有限公司*	PRC/Mainland China	HK\$10,000,000	–	100%	Investment holding
Diamond Motto Limited	Hong Kong	US\$300	100%	–	Investment holding
LMP International Limited	Hong Kong	HK\$1	–	100%	Provision of interior design, fitting out and decoration services
Better Dynasty Limited	Hong Kong	HK\$10,000	100%	–	Investment holding
Harbour Equine Limited	Hong Kong	HK\$100	–	100%	Investment holding
Thrill Rank Company Limited	BVI	US\$100	100%	–	Investment holding
Harbour Equine Pty Ltd	Australia	AUS\$100	–	100%	Horse breeding

Name	Place of incorporation/ registration and operations	Nominal value of issued ordinary/ paid-up/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Harbour Stallion Pty Ltd	Australia	AUS\$100	–	100%	Horse breeding
Harbour Racing Limited	Hong Kong	HK\$100	100%	–	Equine management services
Hua Yu Investment Management Limited	Hong Kong	HK\$1,750,000	100%	–	Provision of corporate financial advisory services and asset management services

* Registered as wholly-foreign-owned enterprises under PRC law.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and interpretations (hereinafter collectively referred to as the “**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Companies Ordinances.

The unaudited interim condensed consolidated financial statements of the Group do not include all the information and disclosures required in annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2024.

The accounting policies and methods of computation used in the preparation of these financial statements are consistent with the consolidated financial statements of the Group for the year ended 31 December 2024.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. OPERATING SEGMENT INFORMATION

The Group identifies its operating segments and prepares segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance.

The Group have three reportable segments as follows:

- | | |
|--|--|
| Interior design and decoration | – provision of interior design, interior decoration and furnishing services |
| Equine services | – provision of trading of bloodstocks, stallion services and equine handling service |
| Advisory on securities, corporate finance and asset management | – provision of advisory on securities, corporate financial advisory services and asset management services |

Information about reportable segment profit or loss:

	Six months ended 30 June 2025				Total HK\$'000 (unaudited)
	Manufacturing and selling of threads HK\$'000 (unaudited)	Interior design and decoration HK\$'000 (unaudited)	Equine services HK\$'000 (unaudited)	Advisory on securities, corporate finance and asset management HK\$'000 (unaudited)	
Turnover					
Revenue from external customers	-	14,584	17	2,050	16,651
Result					
Segment profit/(loss)	-	1,607	(54)	107	1,660
Corporate and unallocated expenses and incomes					10,479
Profit before tax					<u>12,139</u>

	Six months ended 30 June 2024				Total HK\$'000 (unaudited)
	Manufacturing and selling of threads HK\$'000 (unaudited)	Interior design and decoration HK\$'000 (unaudited)	Equine services HK\$'000 (unaudited)	Advisory on securities, corporate finance and asset management HK\$'000 (unaudited)	
Turnover					
Revenue from external customers	4,125	10,450	4,646	1,494	20,715
Result					
Segment profit/(loss)	(5,176)	253	(5,961)	1,424	(9,460)
Corporate and unallocated expenses					(4,023)
Loss before tax					<u>(13,483)</u>

An analysis of revenue by geographic location, based on the location of customer and service provided, is set out below:

	Six months ended	
	30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Overseas		
PRC	–	260
Hong Kong	16,634	12,047
Overseas	17	8,408
	<u>16,651</u>	<u>20,715</u>

Information about reportable segment assets and liabilities:

	Manufacturing and selling of threads		Interior design and decoration		Equine services		Advisory on securities, corporate finance and asset management		Total	
	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Assets										
Segment assets	–	31	22,452	26,750	636	779	206	146	23,294	27,706
Assets classify as held for sale									–	6,478
Unallocated corporate assets									7,558	6,964
Consolidated total assets									30,852	41,148
Liabilities										
Segment liabilities	–	(338)	(4,793)	(6,947)	(3,555)	(17,931)	(6)	(13)	(8,354)	(25,229)
Liabilities associated with assets classify as held for sale									–	(16,307)
Unallocated corporate liabilities									(28,017)	(14,811)
Consolidated total liabilities									<u>(36,371)</u>	<u>(56,347)</u>

5. OTHER GAINS AND LOSSES, NET

An analysis of other income and gains is as follows:

	Six months ended 30 June	
	2025 <i>HK\$'000</i> (unaudited)	2024 <i>HK\$'000</i> (unaudited)
Other gains and losses, net		
Bank interest income	1	1
Exchange gains/(loss), net	137	849
Fair value loss on investment property	–	(700)
Gross rental income	–	84
(Loss)/gain on disposal of fixed assets	(46)	976
Loss on disposal of investment property	–	(100)
Loss on disposal of biological assets	–	(2,622)
Insurance compensation of biological assets	–	591
Gain on termination of lease contract	–	19
Gain on disposal of subsidiaries	10,848	–
Other	–	42
	<u>10,940</u>	<u>(860)</u>

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2025 <i>HK\$'000</i> (unaudited)	2024 <i>HK\$'000</i> (unaudited)
Interest on lease liabilities	14	40
Interest on borrowings	1,165	2,135
	<u>1,179</u>	<u>2,175</u>

7. PROFIT/(LOSS) BEFORE TAX

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

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Cost of inventories sold	10,209	13,544
Depreciation of fixed assets	77	544
Depreciation of right-of-use assets	223	408
Lease payments not included in the measurement of lease liabilities	58	620
Employees' benefit expenses (excluding directors' remuneration)	639	6,262
Net exchange gain	(137)	(849)
Gain/loss on disposal of fixed assets	46	(976)
Loss on disposal of biological assets	–	2,622
Loss on disposal of investment property	–	100
Gain on termination of lease contract	–	(19)
Fair value loss on investment property	–	700

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which subsidiaries of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2020/2021. The first HK\$2,000,000 of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Current – Hong Kong and Mainland China	133	–
Deferred	–	–
Tax (credit)/expense	133	–

9. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

10. PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

	For the six months ended 30 June	
	2025 (unaudited)	2024 (unaudited)
Profit/(loss) attributable to owners of the parent (HK\$'000)	<u>12,006</u>	<u>(13,483)</u>
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>409,141,860</u>	<u>409,141,860</u>
Basic and diluted profit/(loss) per share (HK cents)	<u>2.93</u>	<u>(3.30)</u>

11. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
	Within 1 month	1,365
1 to 2 months	3,350	621
2 to 3 months	4,575	422
Over 3 months	<u>4,232</u>	<u>4,144</u>
	13,522	11,164
Less: Allowance for credit losses	<u>(180)</u>	<u>(179)</u>
	<u>13,342</u>	<u>10,985</u>

12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each reporting period, based on the transaction date, is as follows:

	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
Within 1 month	–	5,056
1 to 2 months	–	545
2 to 3 months	97	55
Over 3 months	<u>4,503</u>	<u>1,065</u>
	<u>4,600</u>	<u>6,721</u>

13. SHARE CAPITAL

Movements of the share capital of the Company during the reporting period are as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Authorised:		
1,000,000,000 Ordinary shares at HK\$0.05 each	<u>50,000</u>	<u>50,000</u>
Issued and fully paid:		
409,141,860 ordinary shares at HK\$0.05 each	<u>20,457</u>	<u>20,457</u>

BUSINESS REVIEW

The Group is principally engaged in the provision of interior design, interior decoration services and furnishing services, and provision of trading of bloodstock, stallion services and equine handling services and provision of advisory on securities, corporate finance and asset management services.

The production facilities of the Group, where the sewing threads manufacturing process is conducted, are located in Liwan, Guangzhou (the “**Guangzhou Production Facilities**”). The major operating subsidiaries of this segment had been disposed on 27 January 2025.

For the business line of interior design, fitting out and decoration services, the Group consider that there is a growing popularity of interior design, fitting-out and decoration in commercial, residential and public sectors in Hong Kong and the Greater Bay Area to seek individuality and style.

For the segment of the equine business, we have taken the opportunities to dispose of certain non performing and out of flavour stock in order to reduce our future upkeeping and maintenance costs.

For the segment of advising on securities, corporate finance and asset management, the management is finding a new customer.

For the six months ended 30 June 2025, the Group’s recorded an unaudited revenue of approximately HK\$16.7 million, representing a decrease of approximately 19.6% as compared with approximately HK\$20.7 million for the six months ended 30 June 2024. The decrease in revenue is mainly attributable to the decrease of the revenue generated from the equine services and threads segment. The Group recorded a gross profit of HK\$5.2 million for the six months ended 30 June 2025. On the same period in preceding year, the Group recorded a gross loss of HK\$2.0 million.

The profit attributable to the owners of the parent increased to approximately HK\$12.0 million for the six months ended 30 June 2025 from approximately loss HK\$13.5 million for the same period in 2024. Such increase was primarily due to the disposal of subsidiaries and reduction expenses in cost of sales, administrative expenses and finance cost in Equine segment.

FINANCIAL REVIEW

Revenue

The revenue was generated from the segment of interior design and decoration, equine services and advising on securities, corporate finance and asset management. The following table sets out a breakdown of the Group's revenue attributable to two segments of the Group of the six months ended 30 June 2025 and 2024:

	Six months ended 30 June				Rate of change %
	2025		2024		
	<i>HK\$'000</i>	<i>% of total revenue</i>	<i>HK\$'000</i>	<i>% of total revenue</i>	
Manufacturing and trading of threads	–	–	4,125	19.9	N/A
Interior design and decoration	14,584	87.6	10,450	50.5	39.6
Equine services	17	0.1	4,646	22.4	–99.6
Advising on securities, corporate finance and asset management	2,050	12.3	1,494	7.2	37.2
	<u>16,651</u>	<u>100.0</u>	<u>20,715</u>	<u>100.0</u>	<u>–19.6</u>

Interior design and decoration

The revenue attributable to the interior design and decoration increased to approximately HK\$14.6 million for the six months ended 30 June 2025 from approximately HK\$10.5 million for the six months ended 30 June 2024, representing an increase of approximately 39.6%. The management is negotiating the new project and the management expected the turnover will increase during the second half of the year.

Equine services

The revenue attributable to the equine services decreased to approximately HK\$17,000 for the six months ended 30 June 2025 from approximately HK\$4.6 million for the six months ended 30 June 2024, representing a decrease of approximately 99.6%. The management reduce the resources on this segment as the downturn of the thoroughbreds market.

Advising on securities, corporate finance and asset management

The revenue attributable to this segment increased to approximately HK\$2 million for the six months ended 30 June 2025 from approximately HK\$1.5 million for the six months ended 30 June 2024, representing an increase of approximately 37.2%.

Cost of sales

The Group's cost of sales primarily consists of direct material costs, processing fees, direct labour costs, welfare and social insurance and agistment costs. The following table sets out a breakdown of the Group's cost of sales attributable to three segments of the Group of the six months ended 30 June 2025 and 2024:

	Six months ended 30 June		Rate of change
	2025	2024	
	HK\$'000	HK\$'000	%
Manufacturing and trading of threads	–	5,526	N/A
Interior design and decoration	11,474	8,525	34.6
Equine services	17	8,694	-99.8
Advising on securities, corporate finance and asset management	–	–	–
	<u>11,491</u>	<u>22,745</u>	<u>-49.5</u>

Interior design and decoration

The cost of sales attributable to the interior design and decoration increased to approximately HK\$11.5 million for the six months ended 30 June 2025 from approximately HK\$8.5 million for the six months ended 30 June 2024 representing an increase of 34.6%. The cost of sales for the interior design and decoration increase is mainly due to increase of the direct material cost compare with the same period in the preceding year.

Equine services

The cost of sales attributable to the equine services decreased to approximately HK\$17,000 for the six months ended 30 June 2025 from approximately HK\$8.7 million for the six months ended 30 June 2024, representing a decrease of 99.8%. The cost of sales for the equine services decrease significantly is due to reduce the resources on this segment.

Advising on securities, corporate finance and asset management

There is no cost of sales for this segment for the six months ended 30 June 2025 and 30 June 2024. As the income generated from the services provided by the customers and no direct cost attributable to this segment.

Gross profit and gross profit margin

The Group recorded a gross profit of HK\$5.2 million for the six months ended 30 June 2025. On the same period 2024, the Group recorded a gross loss of HK\$2 million. The gross profit margin increased to 31% for the six months ended 30 June 2025 from negative 9.8% for the six months ended 30 June 2024. The segment of the interior design and decoration and advising on securities, corporate finance and asset management segment recorded a gross profit of HK\$3.1 million and HK\$2.1 million for the six months ended 30 June 2025.

Other gain and losses, net

The Group's record other gain, net of approximately HK\$10.9 million for the six months ended 30 June 2025. On the same period in the preceding year, the Group recorded other loss, net of approximately HK\$0.9 million. Such change was mainly due to the gain on disposal of subsidiaries.

Selling and distribution expenses

Selling and distribution expenses mainly consist of staff costs of the sales department and transportation expenses. Selling and distribution expenses was approximately HK\$1.1 million for the six months ended 30 June 2024. There were not selling and distribution expenses for the six months ended 30 June 2025 because the manufacturing and trading of threads segment was disposed.

Administrative expenses

Administrative expenses primarily consist of staff costs, audit fee, directors' remuneration and legal and professional fees. Administrative expenses decreased to approximately HK\$2.8 million for the six months ended 30 June 2025 from approximately HK\$7.3 million for the six months ended 30 June 2024, representing a decrease of approximately 61.6%. Such decrease was mainly attributable to the decrease in staff costs and Directors remuneration for the same period of the preceding year.

Profit/(loss) before income tax

As a result of the aforesaid, the Group recorded a profit before income tax of approximately HK\$12.1 million for the six months ended 30 June 2025, as compared with approximately loss HK\$13.5 million for the corresponding period in the preceding year.

Total comprehensive profit/(loss) attributable to owners of the parent

The total comprehensive profit attributable to owners of the parent was approximately HK\$9.7 million for the six months ended 30 June 2025. In comparison, for the corresponding period in 2024, a total comprehensive loss of approximately HK\$15.1 million was recorded. Such change was mainly due to the decrease of loss recorded by the segment of equine service and manufacturing and selling of threads and disposal gain of subsidiaries compared with the same period of the preceding year and the combined effect of increase in the Group's profit for the six months ended 30 June 2025 mentioned above.

Basic and diluted profit/(loss) per share

The Company's basic and diluted profit per share for the six months ended 30 June 2025 was approximately HK2.93 cents (2024: loss HK3.3 cents), which was primarily due to the increase in profit for the six months ended 30 June 2025.

Interim dividend

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2025 (2024: Nil).

Liquidity and financial resources

For the six months ended 30 June 2025, the Group's operations were primarily financed through its operating and financing activities. The Directors believe that in the long term, the Group's operations will continue to be funded by a combination of cash generated from the Group's operating and financing activities.

The Group's cash and bank balances amounted to approximately HK\$3.1 million and approximately HK\$3.8 million as at 30 June 2025 and 31 December 2024, respectively. The functional currency of the Group is Hong Kong dollars. As at 30 June 2025, 99.3% of the Group's cash and bank balances were denominated in the functional currency (31 December 2024: 94.1%) and the remaining 0.7% (31 December 2024: 5.9%) in other currencies, mainly Renminbi and Australian Dollars.

As at 30 June 2025 and 31 December 2024, the Group had net current assets of approximately HK\$8.6 million and approximately HK\$232,000, respectively, which included trade receivables, contract assets, prepayments, other receivables, other assets, inventories, biological assets and cash and cash equivalents. The Group current ratio is maintained to approximately 1.56 as at 30 June 2025 which is 1.01 as at 31 December 2024.

Gearing ratio

The Group's gearing ratio is calculated based on net debt (including borrowings, trade payables, other payables and accruals and lease liabilities, less cash and cash equivalents) divided by the total equity plus net debt at the respective reporting date. The gearing ratio as at 30 June 2025 and 31 December 2024 was approximately 119.5% and 173.1%, respectively. The Group believes that the cash at banks provide adequate liquidity to satisfy the Group's funding requirements.

Commitments

As at 30 June 2025, the Group did not have any capital commitments (as at 31 December 2024: Nil).

Capital structure

During the six months ended 30 June 2025, there was no change in the capital structure of the Group and the share capital of the Group only comprises ordinary shares of the Company (the "Shares").

As at 30 June 2025, the Company's issued share capital amounted to approximately HK\$20.5 million, divided by 409,141,860 Shares of HK\$0.05 each.

Significant investments

There were neither significant investment held as at 30 June 2025 nor material acquisitions during the six months ended 30 June 2025.

There is no plan for material investment or capital assets as at 30 June 2025.

Material acquisitions or disposals of subsidiaries and affiliated companies

For the six months ended 30 June 2025, the Group did not have any material acquisitions but disposed of subsidiaries on 27 January 2025.

Contingent liabilities

As at 30 June 2025, the Group did not have material contingent liabilities (as at 31 December 2024: Nil).

Foreign exchange exposure

The Group is exposed to foreign currency risk when it enters into transactions which are not denominated in the Group's functional currency. Such exposure mainly relates to the acquisition and disposal of broodmares and stallions and the equine services income in Australia. The Group currently does not have a foreign currency hedging policy. Nevertheless, the Group's management will continue to closely monitor the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Pledge of assets

As at 30 June 2025 and 31 December 2024, there were no pledged assets to lenders to secure certain borrowings granted to the Group.

Employees and remuneration policies

As at 30 June 2025, the Group employed a total of 11 employees (2024: 135), all located in Hong Kong. The Group's staff costs mainly comprised wages and salaries, social insurance, housing provident fund and severance payments. For the six months ended 30 June 2025 and 2024, the Group's total staff costs (excluding Directors' emoluments) amounted to approximately HK\$1.1 million and HK\$10.2 million, respectively. The Group offers remuneration packages comprising basic salaries, discretionary bonuses and allowances to its management and office staffs. For the workers at the Guangzhou Production Facilities, the Group offers them with salaries above the minimum wage, promotion opportunities and budgets for social events.

The Group operates a Mandatory Provident Fund Scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately.

There was no forfeited contribution under the MPF Scheme which may be used by the Group to reduce the contribution payable in the future years.

The remuneration committee of the Company is responsible for reviewing and determining the remuneration packages of the Directors and senior management members with reference to the salaries paid by comparable companies, time commitment and responsibilities, employment conditions elsewhere in the Group and the desirability of performance-based remuneration. Any discretionary bonus and other merit payments are linked to the profit performance of the Group and the individual performance of the Directors and senior management members.

FUTURE PROSPECTS

For the business line of interior design, fitting out and decoration services, the Group consider that there is a growing popularity of interior design, fitting-out and decoration in commercial, residential and public sectors in Hong Kong and the Greater Bay Area to seek individuality and style. The management will release more resource on this segment on second half of the year.

For the equine services segment, the management will adopt prudent approach to consider the business opportunity and maintain lower operation costs for this segment on second half of the year.

For the advising on securities, corporate finance and asset management segment, the Group recorded a profit of this segment during the six months ended 30 June 2025. The management is finding a new customer.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATION

As at 30 June 2025, the interests or short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) recorded in the register required to be kept under section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in the Shares and Underlying Shares

(a) Ordinary shares of the Company

Name of Director	Nature of interest/ Holding capacity	Number of ordinary shares held	Percentage of issued share capital of the Company (Note 1)
Mr. Wong Kwok Wai, Albert	Interest of a controlled corporation	120,000,000 (L) (Note 2)	29.33%
Mr. Leung King Yue, Alex	Beneficial owner	10,100,000 (L)	2.47%
Mr. Leung Tat Chi	Beneficial owner	17,460,466 (L)	4.27%

(b) *Share options of the Company*

Name of category of participant	Date of grant of share option	Exercisable period	Vesting period	Exercise price HK\$	Number of underlying shares in respect of which share option were granted				
					Outstanding at 1 January 2025	Granted during the period	Exercised during the period	Lapsed/ cancelled during the period	Outstanding at 30 June 2025
Directors									
Mr. Leung King Yue, Alex	31 August 2022	31 August 2022– 30 August 2025	N/A	0.59	4,000,000	—	—	—	4,000,000
Other eligible participants									
Nil	—	—	—	—	—	—	—	—	—
					<u>4,000,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,000,000</u>

Notes:

1. As at the date of this report, the Company's issued ordinary share capital was HK\$20,457,093 divided into 409,141,860 Shares of HK\$0.05 each.
2. Three Gates Investment Limited (“**Three Gates Investment**”), a company incorporated in the British Virgin Islands on 15 August 2016, is wholly and beneficially owned by Mr. Wong Kwok Wai, Albert, who is the chairman and an executive Director of the Company. Therefore, Mr. Wong is deemed to be interested in 120,000,000 Shares held by Three Gates Investment by virtue of the SFO.

Except as disclosed above, as at 30 June 2025, none of the Directors or the chief executive of the Company had any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange according to rules 5.46 to 5.67 of the GEM Listing Rules.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

To the best knowledge of the Directors, as at 30 June 2025, the following persons or corporations (other than the Directors and the chief executive of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which would be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Long position in the Shares and Underlying Shares

Name of Substantial Shareholder	Nature of interest/ Holding capacity	Number of ordinary shares held	Percentage of issued share capital of the Company (Note 1)
Three Gates Investment	Beneficial owner	120,000,000 (Notes 2, 3)	29.33%
Gold-Face Finance Limited	Person having a security interest in Shares	80,000,000 (Notes 3, 4)	19.55%
Upbest Credit and Mortgage Limited	Person having a security interest in Shares	80,000,000 (Notes 3, 4)	19.55%
Good Foundation Company Limited	Person having a security interest in Shares	80,000,000 (Notes 3, 4)	19.55%
Upbest Strategic Company Limited	Person having a security interest in Shares	80,000,000 (Notes 3, 4)	19.55%
Upbest Financial Holdings Limited	Person having a security interest in Shares	80,000,000 (Notes 3, 4)	19.55%
Upbest Group Limited	Person having a security interest in Shares	80,000,000 (Notes 3, 4)	19.55%
Fung Wing Cheung, Tony	Beneficial owner	40,800,000	9.97%

Notes:

1. As at the date of this report, the Company's issued ordinary share capital was HK\$20,457,093 divided into 409,141,860 Shares of HK\$0.05 each.
2. Three Gates Investment is wholly and beneficially owned by Mr. Wong, who is the chairman and an executive Director of the Company. Therefore, Mr. Wong is deemed to be interested in 120,000,000 Shares held by Three Gates Investment by virtue of his 100% shareholding interest in Three Gates Investment.
3. 80,000,000 Shares held by Three Gates Investment have been charged in favour of Gold-Face Finance Limited ("**Gold-Face**") as security for a loan granted in favour of Mr. Wong Kwok Wai, Albert, the chairman, chief executive officer, executive director and controlling shareholder of the Company.
4. As Gold-Face is wholly-owned by Upbest Credit and Mortgage Limited, which in turn is wholly-owned by Upbest Strategic Company Limited and Good Foundation Company Limited in equal parts, which in turn are both wholly-owned by Upbest Financial Holdings Limited, which in turn is wholly-owned by Upbest Group Limited. Upbest Credit and Mortgage Limited, Upbest Strategic Company Limited, Good Foundation Company Limited, Upbest Financial Holdings Limited and Upbest Group Limited are all deemed to be interested in the security interest in the 80,000,000 Shares charged in favour of Gold-Face by virtue of the SFO.

Save as disclosed above, as at 30 June 2025, the Directors are not aware of any interests and short positions owned by any other parties, other than a Director or the chief executive of the Company who held interests or short positions in the shares and the underlying shares of the Company which were required to be recorded under the provision of Divisions 2 and 3 of Part XV of the SFO, or, who was interested, directly or indirectly, in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESSES

For the six months ended 30 June 2025 and up to the date of this report, none of the Directors, controlling shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules), engaged in any businesses that competes or may compete with the business of the Group, or had any other conflict of interest with the Group.

CORPORATE GOVERNANCE PRACTICES

The Board believes that cultivating and maintaining a culture focused on good corporate governance is essential to effect strong business growth and continue the efficient management of the Company. The Directors are of the view that strong corporate governance practices can safeguard the interests of and ensure accountability to the shareholders of the Company (the "**Shareholders**") as a whole.

During the Period, the Company complied with all the applicable code provisions contained in the Corporate Governance Code (“**CG Code**”) set out in Part 2 of Appendix C1 to the GEM Listing Rules then in force.

Except for the deviation from code provision C.2.1 of the CG Code as set out in Appendix C1 to the GEM Listing Rules, the Board is of the view that the Company has complied with the code provisions of the CG code for the period from the Listing Date up to the date of this report (the “**Relevant Period**”).

Mr. Wong Kwok Wai, Albert is the chairman of the Board and the chief executive officer of the Company and has been involved in the daily operations management of the Group since 2008. The Directors believe that vesting the roles of the chairman of the Board and the chief executive officer of the Company in Mr. Wong will ensure strong and consistent leadership, facilitate the Group’s business strategies and boost the effectiveness of its operation. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company when such role splitting is beneficial to the Group as a whole.

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the standard of dealings regarding securities transactions by the Directors equivalent to the required standard of dealings as set out in rules 5.48 to 5.67 of the GEM Listing Rules. The Directors have all confirmed, having been made specific enquiry by the Company, that they have complied with the required standard of dealings and the required standard concerning securities transactions by the Directors during the Relevant Period.

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

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities since the Listing Date and up to the date of this report.

SHARE OPTION SCHEME

The Company has adopted a new share option scheme (“**Share Option Scheme**”) on 8 February 2023 and the previous share option scheme (the “**Previous Share Option Scheme**”) of the Company adopted on 24 November 2017 was terminated on the same date. More information of Share Option Scheme can be referred in the section headed “Share Option Scheme” in the page 57 of Annual Report 2024 dated on 28 March 2025.

Movements of share options under the both share option schemes held by the Directors can be referred in the section headed “Share Options of the Company” in page 27 of this announcement.

Number of share option available

As at 1 January 2025 and 30 June 2025, the total number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company was 40,914,186 and 40,914,186, respectively.

As at 1 January 2025 and 30 June 2025, the sublimit on the total number of Shares which may be issued in respect of all Options to be granted to service providers under the Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company was 4,091,418 and 4,091,418, respectively.

As at the date of this announcement, the total number of shares available for issue under (a) the Previous Share Option Scheme, was 4,000,000, representing approximately 0.98% of the issued shares (excluding treasury shares) of the Company; and (b) the Share Option Scheme was 40,914,186, representing 10.00% of the issued shares (excluding treasury shares) of the Company.

DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

For the six months ended 30 June 2025, no Director or connected entity of a Director had any material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group, to which the Company or any of its subsidiaries was a party.

EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by the Group after 30 June 2025 up to the date of this report.

AUDIT COMMITTEE

The financial information in this announcement has not been audited nor reviewed by auditor of the Company. The audit committee of the Company (the “**Audit Committee**”) was established pursuant to rules 5.28 to 5.33 of the GEM Listing Rules and code provision D.3.3 and D.3.7 of the CG Code. The Audit Committee is mainly responsible for reviewing financial information, oversighting the Company’s financial reporting system, risk management, internal control systems, maintaining the relationship with the Company’s auditors and reviewing terms of reference of the audit committee.

The Audit Committee consists of three independent non-executive Directors, namely, Mr. Chan Tsun Choi, Arnold, Mr. Tang Chun Hei and Mr. Chow Chin Hang, Joel. No member of the current Audit Committee is a member of the previous independent auditor of the Company. The Audit Committee has reviewed this report as well as the consolidated results of the Group for the six months ended 30 June 2025.

SUPPLEMENTAL INFORMATION IN RELATION TO ANNUAL REPORT 2024

Reference is made to the annual report of the Company for the year ended 31 December 2024 (the “**Annual Report 2024**”). The Company would like to provide the following additional information in relation to the Share Option Scheme which is set out in the section headed “SHARE OPTION SCHEME” in the Report of the Directors of the Annual Report 2024:

Number of share option available

As at 1 January 2024 and 31 December 2024, the total number of shares which may be issued upon exercise of all share options to be granted under the Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company was 40,914,186 and 40,914,186, respectively.

As at 1 January 2024 and 31 December 2024, the sublimit on the total number of shares which may be issued in respect of all share options to be granted to service providers under the Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company was 4,091,418 and 4,091,418, respectively.

As at the date of the Annual Report 2024, the total number of shares available for issue under (a) the Previous Share Option Scheme was 4,000,000, representing approximately 0.98% of the issued shares (excluding treasury shares) of the Company; and (b) the Share Option Scheme was 40,914,186, representing 10.00% of the issued shares (excluding treasury shares) of the Company.

Vesting period

The vesting period for share options granted under the Share Option Scheme shall not be less than twelve (12) months.

The above supplementary information does not affect other information contained in the Annual Report 2024. Save as disclosed above, all other information in the Annual Report 2024 remains unchanged.

By order of the Board
Harbour Equine Holdings Limited
Wong Kwok Wai, Albert
Chairman, chief executive officer and executive Director

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Wong Kwok Wai, Albert, Mr. Chan Yiu Tung, Enoch, Mr. Leung King Yue, Alex and Mr. Leung Tat Chi; one non-executive Director, namely, Ms. Ho Wing Shan; and three independent non-executive Directors, namely, Mr. Tang Chun Hei, Mr. Chan Tsun Choi, Arnold and Mr. Chow Chin Hang, Joel.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication on the website of the Company at www.harbourequine.com.