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

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 00513)

**ANNOUNCEMENT OF INTERIM RESULTS FOR  
THE SIX MONTHS ENDED 31 DECEMBER 2025**

The board of directors (the “Board”) of Continental Holdings Limited (the “Company”) announces the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 31 December 2025 together with the comparative figures for the corresponding period in 2024 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>31 December</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	<b>221,815</b>	329,326
Cost of sales		<b>(156,799)</b>	(267,112)
Gross profit		<b>65,016</b>	62,214
Selling and distribution costs		<b>(7,289)</b>	(9,263)
Administrative expenses		<b>(51,649)</b>	(51,508)
Other income, other gains and losses, net		<b>6,596</b>	3,992
Change in fair value of financial assets at fair value through profit or loss		–	696
Finance costs	5	<b>(14,694)</b>	(26,166)
Share of result of an associate		–	73
<b>Loss before income tax</b>	6	<b>(2,020)</b>	(19,962)
Income tax expense	7	<b>(126)</b>	(380)
<b>Loss for the period</b>		<b>(2,146)</b>	(20,342)

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

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>31 December</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Other comprehensive income for the period, net of tax</b>			
<b>Items that may be subsequently reclassified to profit or loss:</b>			
Change in fair value of debt instruments at fair value through other comprehensive income		–	(62)
Reclassified to profit or loss upon disposal of debt instruments at fair value through other comprehensive income		–	105
Exchange differences on translation of foreign operations		<b>5,337</b>	(3,458)
<b>Items that will not be subsequently reclassified to profit or loss:</b>			
Change in fair value of equity instruments at fair value through other comprehensive income		–	960
Other comprehensive income for the period, net of tax		<b>5,337</b>	(2,455)
<b>Total comprehensive income for the period</b>		<b><u>3,191</u></b>	<b><u>(22,797)</u></b>
<b>Profit/(Loss) for the period attributable to:</b>			
Owners of the Company		<b>34</b>	(16,968)
Non-controlling interests		<b>(2,180)</b>	(3,374)
		<b><u>(2,146)</u></b>	<b><u>(20,342)</u></b>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		<b>5,371</b>	(19,508)
Non-controlling interests		<b>(2,180)</b>	(3,289)
		<b><u>3,191</u></b>	<b><u>(22,797)</u></b>
		<i>HK cent</i>	<i>HK cents</i>
<b>Earnings/(Loss) per share for profit/(loss) attributable to the owners of the Company</b>	<b>9</b>		
Basic		<b><u>0.01</u></b>	<b><u>(2.48)</u></b>
Diluted		<b><u>0.01</u></b>	<b><u>(2.48)</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited At 31 December 2025 <i>HK\$'000</i>	Audited At 30 June 2025 <i>HK\$'000</i>
	<i>Notes</i>		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		21,926	21,877
Right-of-use assets		25,267	27,951
Investment properties	10	1,714,400	1,714,400
Intangible assets		6,480	6,533
Mining right		476,971	469,307
Interests in associates		–	–
Interests in joint ventures		1,037	1,037
Financial assets at fair value through other comprehensive income		13,868	13,868
Deferred tax assets		840	840
		2,260,789	2,255,813
		2,260,789	2,255,813
<b>Current assets</b>			
Properties under development and properties for sales	11	267,129	279,398
Inventories		129,370	147,599
Trade receivables	12	61,438	84,251
Prepayments, deposits and other receivables		16,509	25,660
Financial assets at fair value through profit or loss		–	–
Cash and cash equivalents		81,616	36,358
		556,062	573,266
		556,062	573,266
<b>Current liabilities</b>			
Trade payables	13	(58,111)	(66,633)
Other payables and accruals		(42,928)	(42,341)
Contract liabilities		(377)	(243)
Bank loans		(728,412)	(796,081)
Lease liabilities		(3,814)	(5,150)
Loan from a controlling shareholder		(61,283)	(10,000)
Due to related companies		(38,853)	(38,396)
Due to joint ventures		(1,036)	(1,036)
Financial liabilities at fair value through profit or loss		(16)	(211)
Provision for tax		(1,789)	(1,718)
		(936,619)	(961,809)
		(936,619)	(961,809)
<b>Net current liabilities</b>		(380,557)	(388,543)
<b>Total assets less current liabilities</b>		1,880,232	1,867,270

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

	<b>Unaudited At 31 December 2025</b>	<b>Audited At 30 June 2025</b>
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current liabilities</b>		
Lease liabilities	(2,785)	(4,073)
Due to non-controlling interests	(107,423)	(93,675)
Due to related companies	(5,103)	(5,021)
Loan from a controlling shareholder	–	(4,385)
Deferred tax liabilities	(112,868)	(111,254)
	<u>(228,179)</u>	<u>(218,408)</u>
<b>Net assets</b>	<u><b>1,652,053</b></u>	<u><b>1,648,862</b></u>
<b>EQUITY</b>		
Share capital	560,673	560,673
Reserves	1,007,152	1,001,781
	<u>1,567,825</u>	<u>1,562,454</u>
<b>Equity attributable to the owners of the Company</b>	<b>1,567,825</b>	<b>1,562,454</b>
<b>Non-controlling interests</b>	<b>84,228</b>	<b>86,408</b>
	<u>1,652,053</u>	<u>1,648,862</u>
<b>Total equity</b>	<u><b>1,652,053</b></u>	<u><b>1,648,862</b></u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION

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

In preparing the condensed consolidated interim financial statements, the directors of the Company considered that the Group is able to continue as a going concern notwithstanding that the Group incurred a loss HK\$2,146,000 during the period, and as of that date, the Group’s current liabilities exceeded its current assets by approximately HK\$380,557,000. As at 31 December 2025, the Group had bank loans of HK\$728,412,000, of which approximately HK\$585,341,000 were due for repayment or renewal after one year or on demand.

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

1. Subsequent to reporting date, the Group further sold two units of properties for sales with consideration of approximately HK\$14,900,000. The sales proceeds will serve as additional working capital for the Group;
2. Subsequent to reporting date, the Group completed the disposal of entire issued shares of a wholly owned subsidiary, Big Bonus Limited (the “Target Company”), of which the net assets primarily consist of the mining right and the entire loan owing by the Target Company, for a cash consideration of RMB33,370,000 (equivalent to approximately HK\$36,470,000). The proceeds from the disposal will partially repay the bank borrowings and the remaining will serve as additional working capital for the Group;
3. In June 2025, the controlling shareholder of the Company (the “Controlling Shareholder”) has granted a loan facility of HK\$60,000,000 to the Company to support the Group for its working capital requirements up to 30 September 2026 and the Directors are of the opinion that it is the present intention of the Controlling Shareholder to extend the facility should the need arise;
4. The related parties of the Company have agreed not to demand repayment of loans, until all other third-party liabilities of the Group have been settled;
5. The directors of the Company expected that the bank loans classified under the current liabilities could be repaid as scheduled or renewed upon expiry on the basis of the Group’s past records in the compliance with the terms of the relevant bank loans, including timely settlement of bank loans and/or the availability of sufficient assets as collaterals; and

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

### 1. BASIS OF PREPARATION (CONTINUED)

6. The Group will continue its effort to enhance its operations and implement measures to tighten cost control over various operating expenses to improve its cash flows from operations to strengthen the working capital of the Group.

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

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

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

The accounting policies and basis of preparation adopted in the preparation of the condensed consolidated interim financial statements are consistent with those used in the Group's annual financial statements for the year ended 30 June 2025.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements of the Group for the year ended 30 June 2025. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

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

The Company has delivered the financial statements for the year ended 30 June 2025 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company's auditor has reported on those financial statements.

The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) New amended standards adopted by the Group

In the current interim period, the Group has applied, for the first time, the following new and revised HKFRSs and amendments which are relevant to and effective for the Group's interim financial statements for interim period beginning on 1 July 2025, issued by the HKICPA.

Amendments to HKAS 21	Lack of Exchangeability
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#### (b) New standards and amendments to standards issued but are not yet effective

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendment to HKFRS Accounting Standards	Annual improvements to HKFRS Accounting Standards – Volume 11 <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associates or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined by available for adoption

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

### 3. SEGMENT INFORMATION

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

The chief operating decision-maker has been identified as the Company's executive directors. The executive directors have identified the Group's four (2024: four) business lines as operating segments.

The Group has identified the following reportable segments:

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

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

	Unaudited									
	Six months ended 31 December									
	Jewellery Business		Property investment and development		Mining operation		Investment		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Segment Revenue:</b>										
Sales to/revenue from external parties	<u>196,853</u>	<u>162,355</u>	<u>24,939</u>	<u>165,882</u>	<u>-</u>	<u>-</u>	<u>23</u>	<u>1,089</u>	<u>221,815</u>	<u>329,326</u>
Segment results	<u>17,579</u>	<u>7,759</u>	<u>(12,540)</u>	<u>(21,008)</u>	<u>(4,764)</u>	<u>(6,987)</u>	<u>149</u>	<u>2,379</u>	<u>424</u>	<u>(17,857)</u>
Unallocated expenses									<u>(948)</u>	<u>(973)</u>
Finance costs									<u>(1,496)</u>	<u>(1,132)</u>
Loss before income tax									<u>(2,020)</u>	<u>(19,962)</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

### 4. REVENUE

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

	Unaudited	
	Six months ended 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from contracts with customers		
Revenue recognition at a point in time		
– Sales of goods	196,853	162,355
– Sales of properties	14,490	152,886
Revenue from other sources		
Rental income	10,449	12,996
Interest income	23	331
Dividend income from investments	–	758
	<u>221,815</u>	<u>329,326</u>

### 5. FINANCE COSTS

	Unaudited	
	Six months ended 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest charges on:		
Bank loans	14,839	27,183
Loan from a controlling shareholder	826	–
Interest on lease liabilities	214	360
Imputed interest expenses arising from amount due to related company	–	325
Other interest	40	–
	<u>15,919</u>	<u>27,868</u>
Total borrowing costs		
	<u>15,919</u>	<u>27,868</u>
Less: Interests capitalised in		
– properties under development ( <i>note 11</i> )	(1,225)	(1,702)
	<u>14,694</u>	<u>26,166</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

### 6. LOSS BEFORE INCOME TAX

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

	<b>Unaudited</b>	
	<b>Six months ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Cost of inventories sold	<b>156,799</b>	267,112
Depreciation of		
– Property, plant and equipment	<b>1,158</b>	1,686
– Right-of-use assets	<b>2,626</b>	2,991
Low-value assets leases charges	<b>505</b>	409
Provision for inventories*	<b>791</b>	895
Net foreign exchange loss	<b>977</b>	1,480
Gain on disposal of property, plant and equipment	–	(68)
Provision for expected credit loss on trade receivables	<b>880</b>	741
Written off of property, plant and equipment	<b>13</b>	177
	<b><u>13</u></b>	<b><u>177</u></b>

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

### 7. INCOME TAX EXPENSE

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

	<b>Unaudited</b>	
	<b>Six months ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Current tax</b>		
Hong Kong	<b>211</b>	372
(Over)/under provision in prior years	<b>(50)</b>	41
	<u>161</u>	<u>413</u>
<b>Deferred taxation</b>		
People's Republic of China	<b>(35)</b>	(33)
	<u>126</u>	<u>380</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

### 8. DIVIDENDS

The Board does not recommend any payment of an interim dividend for the six months ended 31 December 2025 (2024: Nil).

### 9. EARNINGS/(LOSS) PER SHARE

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

	<b>Unaudited</b>	
	<b>Six months ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) attributable to the owners of the Company for the purpose of basic earnings/(loss) per share	<u><b>34</b></u>	<u><b>(16,968)</b></u>
	<b>Number of shares</b>	
	<b>2025</b>	<b>2024</b>
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	<b>683,118,258</b>	683,118,258
Effect of dilutive potential ordinary shares in respect of share option	<u>–</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	<u><b>683,118,258</b></u>	<u><b>683,118,258</b></u>

The calculation of basic earnings/(loss) per share attributable to the owners of the Company for the six months ended 31 December 2025 was based on the profit/(loss) attributable to the owners of the Company of HK\$34,000 (2024: loss of HK\$16,968,000) and on the weighted average of 683,118,258 (2024: 683,118,258) ordinary shares in issue during the period.

For the six months ended 31 December 2025 and 2024, the computation of diluted earnings/(loss) per share did not assume the exercise of share option as they were anti-dilutive.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

### 10. INVESTMENT PROPERTIES

	Unaudited At 31 December 2025 <i>HK\$'000</i>	Audited At 30 June 2025 <i>HK\$'000</i>
Opening carrying amount	1,714,400	1,990,400
Additions	–	58
Net loss from fair value adjustments	–	(276,058)
	<u>1,714,400</u>	<u>1,714,400</u>
Closing carrying amount	<u><b>1,714,400</b></u>	<u><b>1,714,400</b></u>

As at 31 December 2025, the Group's investment properties with carrying amount of HK\$1,714,400,000 (30 June 2025: HK\$1,714,400,000) were pledged to secure certain bank loans granted to the Group.

### 11. PROPERTIES UNDER DEVELOPMENT AND PROPERTIES FOR SALES

	Unaudited At 31 December 2025 <i>HK\$'000</i>	Audited At 30 June 2025 <i>HK\$'000</i>
Properties under development	216,495	215,244
Properties for sales	50,634	64,154
	<u>267,129</u>	<u>279,398</u>
	<u><b>267,129</b></u>	<u><b>279,398</b></u>

As at 31 December 2025, properties under development amounting to approximately HK\$216,495,000 (30 June 2025: HK\$215,244,000) was not expected to be realised within the next twelve months from the end of the reporting date.

As at 31 December 2025, the Group's properties under development and properties for sales with aggregate net carrying amounts of approximately HK\$267,129,000, of which HK\$216,495,000 (30 June 2025: HK\$279,398,000) was pledged to secure certain bank loan granted to the Group.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

### 12. TRADE RECEIVABLES

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

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

	<b>0-30 days</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>Over 90 days</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Unaudited balance at 31 December 2025	<u><b>16,496</b></u>	<u><b>23,418</b></u>	<u><b>10,504</b></u>	<u><b>11,020</b></u>	<u><b>61,438</b></u>
Audited balance at 30 June 2025	<u>29,059</u>	<u>30,793</u>	<u>21,569</u>	<u>2,830</u>	<u>84,251</u>

### 13. TRADE PAYABLES

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

	<b>0-30 days</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>Over 90 days</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Unaudited balance at 31 December 2025	<u><b>9,830</b></u>	<u><b>7,225</b></u>	<u><b>9,660</b></u>	<u><b>31,396</b></u>	<u><b>58,111</b></u>
Audited balance at 30 June 2025	<u>14,528</u>	<u>11,168</u>	<u>15,019</u>	<u>25,918</u>	<u>66,633</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OPERATING RESULTS**

The Group's consolidated revenue for the six months ended 31 December 2025 recorded a decrease of approximately HK\$107,511,000 or 32.64% from the last interim period of HK\$329,326,000 to HK\$221,815,000. The decrease in revenue was mainly due to the decrease in sales of properties. During the period under review, profit attributable to owners of the Company was HK\$34,000, as compared to loss attributable to owners of the Company of HK\$16,968,000 for the corresponding period last year. For the six months ending 31 December 2025, basic earnings per share was HK0.01 cent (2024: basic loss per share of HK2.48 cents).

### **BUSINESS REVIEW**

#### **Review of Jewellery Business Segment**

During the reporting period, the jewellery sector continued to operate in a challenging environment. Slower-than-expected economic growth, driven by ongoing macroeconomic and geopolitical factors, and compounded by volatile yet record-high gold prices continued to suppress consumer spending patterns. Although sentiment showed gradual signs of stabilisation, spending remained cautious, which led consumers to defer purchases and prompted retailers to maintain conservative inventory strategies. The improvement reflects the Group's efforts on expanding our product range and focus on operational efficiencies. Streamlined manufacturing processes and disciplined cost controls across manufacturing and administrative functions contributed to the segment's performance, helping to mitigate the impact of external pressures on margins and profitability.

Despite these headwinds, the Group's jewellery segment delivered resilient growth. Revenue increased by approximately HK\$34,498,000, or 21.25%, rising from HK\$162,355,000 in the previous reporting period to HK\$196,853,000 in the current period. Segment profit also improved significantly, reaching approximately HK\$17,579,000 for the six months ended 31 December 2025, compared to HK\$7,759,000 for the corresponding period last year.

## Review of Property Segment

The Group's property segment encompasses a diversified portfolio spanning residential, commercial, and retail assets. During the period, performance across these sectors varied, reflecting the prevailing conditions in the Hong Kong property market.

Revenue from the property segment amounted to approximately HK\$24,939,000, comprising HK\$14,490,000 from sales of properties and HK\$10,449,000 from rental income. This represents a decrease of approximately HK\$140,943,000 compared to the HK\$165,882,000 recorded in the corresponding period of 2024. The decline was primarily attributable to lower sales contributions from the residential project, Amber Place, during the period.

Amber Place (恒珀) – Located at No. 1 Cheung Wah Street, Cheung Sha Wan, Kowloon, the Group holds a 90% interest in this 25-storey residential building with a two-storey retail podium. The project has a gross floor area of approximately 29,147 sq.ft. and comprises 42 residential units. As at the date of this announcement, 39 units have been handed over. During the period, revenue of HK\$14,490,000 was recognised from the handover of 2 units. An additional two units with contracted sales value approximately of HK\$14,900,000 is scheduled for handover, with revenue recognition expected in the second half of the financial year ending 30 June 2026. The last remaining unit is currently available for sale.

Boundary Street Project – In December 2021, the Group acquired six properties at Nos. 164-164A Boundary Street, Kowloon. The site spans approximately 5,054 sq.ft., with a developable gross floor area of around 25,270 sq.ft. Demolition of the existing structures has been completed, and the site is intended for redevelopment into a residential project.

One Continental (恒匯中心) – Located at No. 232 Wan Chai Road, Hong Kong, the Group holds a 75% interest in this 28-storey premium grade office and retail composite building, which has a gross floor area of approximately 86,970 sq.ft. Despite market challenges, including oversupply and elevated financing costs, the Group secured quality tenants during the reporting period.

Other Investment Properties – The Group's investment property portfolio includes 12 floors of commercial space at No. 65 Castle Peak Road, Yuen Long, and two shops with several office units at Nos. 19-23 Hart Avenue, Tsim Sha Tsui. These assets continued to generate stable rental income for the Group during the period.

## **Disposal of Hongzhuang Gold Mine**

Reference is made to the Company's announcements dated 23 September 2025, 15 October 2025, and 12 December 2025, the circular dated 31 December 2025, and the poll results announcement dated 22 January 2026 in relation to the disposal of the Group's interests in the Hongzhuang Gold Mine.

All conditions precedent under the sale and purchase agreement have been fulfilled, and completion of the disposal took place on 27 January 2026. Upon completion, the companies comprising the mining group ceased to be subsidiaries of the Company, and their financial results will no longer be consolidated into the Group's financial statements.

The actual net gain or loss arising from the disposal will be determined and disclosed in the annual results for the year ending 30 June 2026.

The proceeds from the disposal are intended to be used to partially repay bank borrowings; to support the Group's daily operations; and to strengthen and sharpen the Group's focus on its core businesses.

## **BUSINESS PROSPECTS**

Looking ahead, the operating environment is expected to remain uncertain both internationally and locally, and the Group maintains a cautious outlook on market conditions. The jewellery sector continues to be impacted by persistently high and volatile gold prices, which directly impact consumer sentiment towards luxury goods and gold jewellery. Despite these pressures, there are early signs that consumers are gradually adjusting to the higher price environment and slowly adapting to the revised cost of fine jewellery. In response, the Group will continue to enhance and adjust its production processes to drive greater efficiencies, while diversifying our product range and designs to meet evolving customer preferences.

The local real estate market remains soft, although the residential sector in Hong Kong has shown signs of gradual stabilisation, other sectors continue to face depressed conditions. The Group maintains a diversified and balanced property portfolio spanning the residential, commercial, and retail sectors. In light of the current softness in the local real estate market, the Group continues to adopt a prudent approach while actively seeking reputable tenants and buyers. Management remains open to opportunities that can further strengthen the portfolio to generate steady income and long-term returns. The Group will remain prudent in managing its property portfolio, to ensure a healthy and balanced structure of our real estate portfolio.

## **INTERIM DIVIDEND**

The Board does not recommend any payment of an interim dividend for the six months ended 31 December 2025 (2024: Nil).

## **LIQUIDITY, FINANCIAL RESOURCES AND GEARING**

As at 31 December 2025, the Group's gearing ratio was 0.3442 (30 June 2025: 0.3585), which is calculated on net debt divided by total equity plus net debt. Net debt is calculated as the sum of bank and other borrowings less cash and cash equivalents. The cash and cash equivalents of HK\$81,616,000 (30 June 2025: HK\$36,358,000) which were mainly denominated in Hong Kong Dollar, US Dollar, Renminbi and British Pound. Other borrowings in respect of amounts due to joint ventures, amounts due to related companies, loan from a controlling shareholder, amounts due to non-controlling interests and lease liabilities were approximately of HK\$220,297,000 (30 June 2025: HK\$161,736,000). Bank loans denominated in Hong Kong Dollar were approximately HK\$728,412,000 (30 June 2025: HK\$796,081,000 denominated in Hong Kong Dollar and US Dollar). Details of pledge of assets in respect of bank loans are set out in the section PLEDGE OF ASSETS.

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

## **PLEDGE OF ASSETS**

As of 31 December 2025, the Group's bank loans denominated in Hong Kong Dollar of HK\$728,412,000 (30 June 2025: HK\$777,666,000) are secured by the Group's certain property, plant and equipment, investment properties, certain right-of-use assets, properties under development, pledged by ordinary shares of certain subsidiaries of the Company and guaranteed by corporate guarantees executed by the Company. Whereas, bank loans denominated in US Dollar of HK\$nil (30 June 2025: equivalent amount of HK\$18,415,000) are guaranteed by corporate guarantees executed by the Company.

## **CONTINGENT LIABILITIES**

As at 31 December 2025, the Company has provided guarantees to the extent of HK\$573,037,000 (30 June 2025: HK\$630,928,000) with respect to bank loans to its subsidiaries. Under the guarantees, the Company would be liable to pay the banks if the banks are unable to recover the loans. At the reporting date, no provision for the Company's obligation under the guarantee contracts has been made as the directors considered that it was unlikely the repayment of the loans would be in default.

## **CAPITAL STRUCTURE**

All the Group's borrowings are denominated in Hong Kong Dollar, US Dollar and Renminbi. Interest is determined with reference to Hong Kong Interbank Offered Rate or Prime Rate for Hong Kong Dollar borrowings, Secured Overnight Financing Rate for US Dollar borrowings and the benchmark lending rate of the People's Bank of China for Renminbi borrowings. The Group also made use of foreign exchange forward contracts in order to minimise exchange rate risk as a result of fluctuation in British Pound. There was no change to the Group's capital structure during the six months ended 31 December 2025. In light of the current financial position of the Group and provided that there is no unforeseeable circumstance, the management does not anticipate the need to change the capital structure.

## **NUMBER OF EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2025, the Group employs a total of approximately 428 employees (30 June 2025: 443) with the majority in the PRC. The Group's remuneration to its employees is largely based on common industrial practice. In order to attract, retain and motivate the eligible employees, including the directors, the Company has adopted share option schemes.

## **SHARE OPTION SCHEMES**

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

As at 31 December 2025, there were options for 5,200,000 shares were valid and outstanding under the 2010 Share Option Scheme.

## **EXPOSURE TO FINANCIAL RISK AND RELATED HEDGES**

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

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2025.

## **CORPORATE GOVERNANCE PRACTICES**

The Company adopted all the Code Provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules and has complied with all the applicable Code Provisions throughout the six months ended 31 December 2025 except for the following deviations:

### **1. Code Provision C.2.1**

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

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

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

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

### **2. Code Provision D.2.2**

Code Provision D.2.2 provides that the issuer should have an internal audit function. Issuers without an internal audit function should review the need for one on an annual basis and should disclose the reasons for the absence of such a function in the Corporate Governance Report.

The Company does not have an internal audit function during the six months ended 31 December 2025. Taking into account the size and complexity of the operations of the Group, the Company considers that the existing organisation structure and the close supervision of the management could provide sufficient internal control and risk management for the Group. The audit committee of the Board regularly reviews the effectiveness of the internal control systems and risk management of the Group. The Board would review the need to set up an internal audit function on an annual basis.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. The Company has made specific enquiry with all directors and all of them have confirmed that they have complied with the required standards as set out in the Model Code during the six months ended 31 December 2025.

## **AUDIT COMMITTEE**

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

The Audit Committee has discussed the Group’s accounting policies and basis adopted, the financial control, risk management and internal control systems of the Group and has reviewed the unaudited consolidated interim financial statements for the six months ended 31 December 2025. The Audit Committee has approved the unaudited consolidated interim financial statements.

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

Hong Kong, 27 February 2026

*As at the date of this announcement, Mr. Chan Wai Lap, Victor, Ms. Cheng Siu Yin, Shirley, Ms. Chan Wai Kei, Vicki, Ms. Chan Mei Kei, Alice and Mr. Wong Edward Gwon-hing are executive directors of the Company; Mr. Yu Shiu Tin, Paul, BBS, MBE, JP, Mr. Chan Ping Kuen, Derek, Mr. Sze Irons, GBS, BBS, JP, Mr. Cheung Chi Fai, Frank and Mr. Yam Tat Wing are independent non-executive directors of the Company.*