

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CONTINENTAL

HOLDINGS LIMITED

恒和珠寶集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00513)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2025

The board of directors (the “Board”) of Continental Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30 June 2025 together with comparative figures for the previous financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

		2025	2024
	Notes	HK\$'000	HK\$'000
Revenue	3	585,835	360,402
Cost of sales		(474,977)	(403,159)
Gross profit/(loss)		110,858	(42,757)
Selling and distribution costs		(18,553)	(17,880)
Administrative expenses		(97,517)	(109,444)
Other income, other gains and losses, net		10,614	8,557
(Impairment loss)/reversal of impairment loss on trade receivables and other receivables, net		(1,277)	642
Change in fair value of investment properties		(276,058)	(87,938)
(Impairment loss)/reversal of impairment loss on mining right		(26,599)	9,406
Finance costs	4	(37,212)	(52,425)
Share of results of joint ventures		(1)	(1)
Share of result of an associate		73	(2,309)

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Loss before income tax	5	(335,672)	(294,149)
Income tax credit/(expense)	6	<u>5,066</u>	<u>(6,165)</u>
Loss for the year		<u>(330,606)</u>	<u>(300,314)</u>
Other comprehensive income, net of tax			
Items that may be subsequently reclassified to profit or loss:			
Change in fair value of debt instruments at fair value through other comprehensive income		–	153
Reclassified to profit or loss upon disposal of the debt instruments at fair value through other comprehensive income		(95)	–
Exchange differences on translation of foreign operations		10,528	(2,502)
Items that will not be subsequently reclassified to profit or loss:			
Change in fair value of equity instruments at fair value through other comprehensive income		<u>(5,784)</u>	<u>(2,611)</u>
Other comprehensive income for the year, net of tax		<u>4,649</u>	<u>(4,960)</u>
Total comprehensive income for the year		<u>(325,957)</u>	<u>(305,274)</u>
Loss for the year attributable to:			
Owners of the Company		(259,112)	(257,302)
Non-controlling interests		<u>(71,494)</u>	<u>(43,012)</u>
		<u>(330,606)</u>	<u>(300,314)</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		(254,549)	(262,258)
Non-controlling interests		<u>(71,408)</u>	<u>(43,016)</u>
		<u>(325,957)</u>	<u>(305,274)</u>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share for loss attributable to the owners of the Company	8		
– Basic		<u>(37.93)</u>	<u>(37.67)</u>
– Diluted		<u>(37.93)</u>	<u>(37.67)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	2025 HK\$'000	2024 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		21,877	25,688
Right-of-use assets		27,951	32,445
Investment properties		1,714,400	1,990,400
Goodwill		–	–
Intangible assets		6,533	7,304
Mining right		469,307	484,054
Interests in an associate		–	21,253
Interests in joint ventures		1,037	1,038
Financial assets at fair value through other comprehensive income		13,868	22,003
Financial assets at fair value through profit or loss		–	10,067
Deferred tax assets		840	840
		<u>2,255,813</u>	<u>2,595,092</u>
Current assets			
Properties under development and properties for sales		279,398	485,123
Inventories		147,599	155,681
Trade receivables	9	84,251	61,399
Prepayments, deposits and other receivables		25,660	17,933
Financial assets at fair value through profit or loss		–	2,521
Cash and cash equivalents		36,358	49,156
		<u>573,266</u>	<u>771,813</u>

		2025	2024
	Notes	HK\$'000	HK\$'000
Current liabilities			
Trade payables	10	(66,633)	(59,770)
Other payables and accruals		(42,341)	(37,714)
Contract liabilities		(243)	(343)
Bank loans	11	(796,081)	(882,506)
Lease liabilities		(5,150)	(4,923)
Loan from a controlling shareholder		(10,000)	–
Due to related companies		(38,396)	(7,379)
Due to joint ventures		(1,036)	(1,036)
Financial liabilities at fair value through profit or loss		(211)	–
Provision for tax		(1,718)	(1,925)
		<u>(961,809)</u>	<u>(995,596)</u>
Net current liabilities		<u>(388,543)</u>	<u>(223,783)</u>
Total assets less current liabilities		<u>1,867,270</u>	<u>2,371,309</u>
Non-current liabilities			
Bank loans	11	–	(153,730)
Lease liabilities		(4,073)	(7,834)
Due to non-controlling interests		(93,675)	(80,670)
Due to related companies		(5,021)	(30,047)
Loan from a controlling shareholder		(4,385)	(4,280)
Deferred tax liabilities		(111,254)	(114,089)
		<u>(218,408)</u>	<u>(390,650)</u>
Net assets		<u>1,648,862</u>	<u>1,980,659</u>
EQUITY			
Share capital		560,673	560,673
Reserves		<u>1,001,781</u>	<u>1,256,806</u>
Equity attributable to the owners of the Company		<u>1,562,454</u>	<u>1,817,479</u>
Non-controlling interests		<u>86,408</u>	<u>163,180</u>
Total equity		<u>1,648,862</u>	<u>1,980,659</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements of Continental Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) have been prepared in accordance with HKFRS Accounting Standards which collective terms include all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Hong Kong Companies Ordinance. The consolidated financial statements also include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In preparing the consolidated financial statements, the directors of the Company considered that the Group is able to continue as a going concern notwithstanding that the Group incurred a loss attributable to the owners of the Company of approximately HK\$259,112,000 during the year ended 30 June 2025, and as of that date, the Group’s current liabilities exceeded its current assets by approximately HK\$388,543,000. As at 30 June 2025, the Group had bank loans of HK\$796,081,000 that were all classified as current liabilities, while the Group only maintained its cash and cash equivalents of HK\$36,358,000.

When assessing the appropriateness of the use of the going concern basis for the preparation of the consolidated financial statements, the directors have prepared a cash flow forecast covering a period of 15 months from the date of approval of these consolidated 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 year end date, the Group sold certain units of the properties for sale of a property project and it is expected that the remaining units would be sold during the forecast period at a margin sufficient to cover the bank loans borrowed to finance this property project of HK\$14,806,000, which are classified under current liabilities. The excess funds after the repayment of the said bank loans will serve as additional working capital for the Group;
2. Subsequent to the year end date, the Group successfully renewed a bank loan of approximately HK\$654,694,000, which was classified under current liabilities as at 30 June 2025, for a term of 3 years. The directors of the Company expect that the bank loan of HK\$606,500,000, despite the existence of the repayable on demand clause, would be repayable after 30 June 2026 based on the scheduled repayment dates set out in the loan agreement, taking into account the Group’s compliance record with the bank, including timely settlements and the availability of sufficient assets as collateral;
3. The directors of the Company expect that the other 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;
4. 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 of the Company are of the opinion that it is the present intention of the Controlling Shareholder to extend the facility should the need arise;

1. BASIS OF PREPARATION – Continued

5. Pacific Islands Company Limited (“Pacific Islands”), a related company owned by a director of the Company, and 廣州市恒拓投資諮詢有限公司 (“恒拓”), in which the Controlling Shareholder is a key management personnel, have agreed not to demand repayment of loans of approximately HK\$6,880,000 and HK\$31,516,000 respectively, until all other third-party liabilities of the Group have been settled;
6. The Group is contemplating the disposal of certain assets to enhance its liquidity and reduce indebtedness. On 23 September 2025, Continental Mining Holdings Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement to dispose 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\$36,470,073). The directors of the Company expect that the consideration, if the transaction is to be proceeded with and completed, would be received within the forecast period.
7. The Group will continue its effort to enhance its operations and implement measures to tighten cost controls 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 financial information relating to the year ended 30 June 2025 included in this preliminary announcement of annual results 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 had delivered the financial statements for the year ended 30 June 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 30 June 2025 in due course.

The Company’s auditor has reported on those financial statements of the Group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) Adoption of revised HKFRS Accounting Standards – effective 1 July 2024

The Group has adopted the following revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for annual periods beginning on or after 1 July 2024.

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

None of these amendments has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRS Accounting Standards that is not yet effective for the current accounting period.

(b) New and revised HKFRS Accounting Standards that have been issued but are not yet effective

The following new and revised HKFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 21	Lack of Exchangeability ¹

Notes:

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

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

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

⁴ *No mandatory effective date yet determined by available for adoption*

3. REVENUE AND SEGMENT INFORMATION

Revenue recognised during the year is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers		
Revenue recognition at a point in time		
– Sale of goods	340,100	333,897
– Sale of properties	221,331	-
Revenue from other sources		
Rental income	23,074	22,320
Interest income	421	1,833
Dividend income from investments	909	2,352
	<u>585,835</u>	<u>360,402</u>

The following table provides information about trade receivables and contract liabilities from contracts with customers.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	84,251	61,399
Contract liabilities	<u>243</u>	<u>343</u>

As at 30 June 2024, the contract liabilities mainly related to the advance consideration received from customers which has been recognised as revenue for the year ended 30 June 2025.

As at 30 June 2025, the advance consideration received from customers of HK\$243,000 (2024: HK\$343,000) represents unfulfilled performance obligation under the Group's existing contracts. This amount represents revenue expected to be recognised in the future. The Group will recognise the expected revenue in future when performance obligation is completed, which is expected to occur within one year.

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.

3. REVENUE AND SEGMENT INFORMATION – Continued

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

- Design, manufacturing, marketing and trading of fine jewellery and diamonds (the "Jewellery Business")
- Property investment and development
- Mining operation
- Investment

(a) Business segment

	Jewellery Business		Property investment and development		Mining operation		Investment		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:										
Sales to/Revenue from external parties	<u>340,100</u>	<u>333,897</u>	<u>244,405</u>	<u>22,320</u>	<u>-</u>	<u>-</u>	<u>1,330</u>	<u>4,185</u>	<u>585,835</u>	<u>360,402</u>
Segment results	<u>19,857</u>	<u>(23,692)</u>	<u>(313,174)</u>	<u>(266,588)</u>	<u>(40,211)</u>	<u>(1,919)</u>	<u>1,832</u>	<u>2,518</u>	<u>(331,696)</u>	<u>(289,681)</u>
Unallocated expenses									<u>(2,165)</u>	<u>(1,793)</u>
Finance costs									<u>(1,811)</u>	<u>(2,675)</u>
Loss before income tax									<u>(335,672)</u>	<u>(294,149)</u>

3. REVENUE AND SEGMENT INFORMATION – Continued

(a) Business segment – Continued

	Jewellery Business		Property investment and development		Mining operation		Investment		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	251,497	244,174	2,010,222	2,505,785	500,647	518,242	28,938	48,123	2,791,304	3,316,324
Cash and cash equivalents									36,358	49,156
Deferred tax assets									840	840
Unallocated corporate assets									577	585
Total assets									2,829,079	3,366,905
Segment liabilities	106,499	91,509	112,408	101,169	32,770	31,302	4,162	4,853	255,839	228,833
Bank loans									796,081	1,036,236
Loan from a controlling shareholder									14,385	4,280
Provision for tax									1,718	1,925
Deferred tax liabilities									111,254	114,089
Unallocated corporate liabilities									940	883
Total liabilities									1,180,217	1,386,246

3. REVENUE AND SEGMENT INFORMATION – Continued

(a) Business segment – Continued

	Jewellery Business		Property investment and development		Mining operation		Investment		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other segment information:										
Depreciation of property, plant and equipment	(2,062)	(3,676)	-	-	(384)	(351)	-	-	(2,446)	(4,027)
Depreciation of right-of-use assets	(5,326)	(4,868)	-	-	(1,180)	(1,152)	-	-	(6,506)	(6,020)
Change in fair value of investment properties	-	-	(276,058)	(87,938)	-	-	-	-	(276,058)	(87,938)
Fair value gain/(loss) on financial assets at fair value through profit or loss	(384)	80	-	-	-	-	1,005	(431)	621	(351)
Gain on disposal of debt instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	95	-	95	-
Gain on disposal of property, plant and equipment	122	34	-	-	-	-	-	-	122	34
Write-down of properties under development and properties for sale	-	-	(7,552)	(141,031)	-	-	-	-	(7,552)	(141,031)
Write-off of other payable	-	-	-	7,747	-	-	-	-	-	7,747
Share of results of joint ventures	-	-	(1)	(1)	-	-	-	-	(1)	(1)
Share of result of an associate	-	-	73	(2,309)	-	-	-	-	73	(2,309)
(Impairment loss)/Reversal of impairment loss on mining right	-	-	-	-	(26,599)	9,406	-	-	(26,599)	9,406
(Impairment loss)/Reversal of impairment loss on property, plant and equipment	(146)	(174)	-	-	(2,046)	168	-	-	(2,192)	(6)
Impairment loss on right-of- use assets	(428)	(717)	-	-	-	-	-	-	(428)	(717)
Impairment loss on goodwill	-	(8,124)	-	-	-	-	-	-	-	(8,124)
Impairment loss on intangible assets	(804)	(965)	-	-	-	-	-	-	(804)	(965)
Provision for inventories	(2,167)	(1,566)	-	-	-	-	-	-	(2,167)	(1,566)
Reversal of impairment loss on trade and other receivables, net	1,277	642	-	-	-	-	-	-	1,277	642
Interest income	-	-	-	-	-	-	421	1,833	421	1,833
Interest expenses	(611)	(811)	(33,440)	(47,650)	(1,350)	(1,289)	-	-	(35,401)	(49,750)
Additions to non-current segment assets	453	2,608	58	238	-	338	-	-	511	3,184

3. REVENUE AND SEGMENT INFORMATION – Continued

(b) Geographical information

The Group's segment revenue from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas.

	Revenue from external customers	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong (place of domicile)	259,473	40,785
North America (<i>note a</i>)	103,223	115,463
Europe and Middle East (<i>note b</i>)	212,388	197,170
Other locations	10,751	6,984
	<hr/>	<hr/>
Total	585,835	360,402
	<hr/>	<hr/>
	Non-current assets	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong (place of domicile)	1,720,763	2,019,949
North America (<i>note a</i>)	11,026	14,096
United Kingdom	1,466	2,458
Mainland China	507,850	525,679
	<hr/>	<hr/>
Total	2,241,105	2,562,182
	<hr/>	<hr/>

3. REVENUE AND SEGMENT INFORMATION – Continued

(b) Geographical information – Continued

Notes:

(a) principally included United States and Canada

(b) principally included Saudi Arabia, United Kingdom, Sweden, Spain, Netherlands and Norway

The revenue information above is based on the location of the customers. The geographical location of the non-current assets (other than financial instruments and deferred tax assets) is based on the physical location of the assets. The geographical information of the Group's revenue from external customers and non-current assets by individual significant countries in North America, Europe and Middle East, other locations is not available and executive directors consider the cost to obtain the information would be excessive.

The executive directors of the Company determine the Group is domiciled in Hong Kong, which is the location of the Group's principal office.

Information about major customers

There are no revenue from an individual customer, which amounted to 10% or more of the Group's revenue for the year ended 30 June 2025 and 2024.

4. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest charges on:		
Bank loans	45,837	63,373
Interest on lease liabilities	665	811
Imputed interest expenses arising from amount due to a related company	1,350	1,289
Total borrowing costs	47,852	65,473
Less: interests capitalised in		
– properties under development	(10,640)	(13,048)
	37,212	52,425

5. LOSS BEFORE INCOME TAX

	2025 HK\$'000	2024 HK\$'000
The Group's loss before income tax is arrived at after charging/(crediting):		
Cost of inventories sold	465,258	260,618
Depreciation of property, plant and equipment	2,446	4,027
Depreciation of right-of-use assets	6,506	6,020
Auditor's remuneration	1,240	1,240
Low-value assets leases charges	768	897
Provision for inventories*	2,167	1,566
Fair value (gain)/loss on financial assets at fair value through profit or loss	(621)	351
Net foreign exchange (gain)/loss	(571)	1,010
Gain on disposal of property, plant and equipment	(122)	(34)
Gain on disposal of debt instruments at fair value through other comprehensive income	(95)	–
Gain on debt modification on amount due to a related company	–	(1,289)
Impairment loss on right-of-use assets [#]	428	717
Impairment loss on goodwill [#]	–	8,124
Impairment loss on intangible assets [#]	804	965
Impairment loss on property, plant and equipment [#]	2,192	6
Write off of other payables [#]	–	(7,747)
Write-down of properties under development and properties for sale*	7,552	141,031
Direct operating expenses arising from investment properties that generate rental income during the period	2,247	3,298
Direct operating expenses arising from investment properties that did not generate from rental income during the period	395	400

* Provision for inventories and write-down of properties under development and properties for sale for the year were included in “cost of sales” on the face of the consolidated statement of profit or loss and other comprehensive income.

Impairment loss on right-of-use assets, goodwill, intangible assets and property, plant and equipment and write off of other payables for the year were included in “other income, other gains and losses, net” on the face of the consolidated statement of profit or loss and other comprehensive income.

6. INCOME TAX (CREDIT)/EXPENSE

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 year. 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.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
Hong Kong	418	241
Over provision in prior years	<u>(74)</u>	<u>(42)</u>
	344	199
Deferred tax		
Current year	<u>(5,410)</u>	<u>5,966</u>
Total income tax (credit)/expense	<u>(5,066)</u>	<u>6,165</u>

7. DIVIDENDS

The directors do not recommend any payment of dividends in respect of the years ended 30 June 2025 and 2024.

8. LOSS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
Loss attributable to the owners of the Company for the purpose of basic loss per share	<u>(259,112)</u>	<u>(257,302)</u>
	Number of shares	
	2025	2024
Weighted average number of ordinary shares for the purpose of basic loss per share	683,118,258	683,118,258
Effect of dilutive potential ordinary shares in respect of – Share option (<i>note (i)</i>)	<u>–</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of diluted loss per share	<u>683,118,258</u>	<u>683,118,258</u>

Note:

- (i) For the year ended 30 June 2025, the calculation of basic loss per share attributable to the owners of the Company was based on loss for the year attributable to the owners of the Company of HK\$259,112,000 (2024: HK\$257,302,000) and on weighted average number of 683,118,258 (2024: 683,118,258) ordinary shares during the year.

For the years ended 30 June 2025 and 2024, the computation of diluted loss per share did not assume the exercise of share option as they were anti-dilutive.

9. 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.

9. TRADE RECEIVABLES – Continued

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:

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	29,059	24,993
31 – 60 days	30,793	18,766
61 – 90 days	21,569	14,611
Over 90 days	2,830	3,029
	84,251	61,399

10. 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:

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	14,528	17,676
31 – 60 days	11,168	9,468
61 – 90 days	15,019	8,281
Over 90 days	25,918	24,345
	66,633	59,770

11. BANK LOANS

The analysis of the carrying amount of bank loans is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current liabilities		
Portion of bank loans due for repayment within one year		
– Guaranteed	33,415	20,354
– Secured and guaranteed	<u>732,416</u>	<u>169,368</u>
	765,831	189,722
Portion of bank loans due for repayment after one year which contain a repayable on demand clause		
– Secured and guaranteed	<u>30,250</u>	<u>692,784</u>
	<u>796,081</u>	<u>882,506</u>
Non-current liabilities		
Portion of bank loans due for repayment after one year		
– Secured and guaranteed	<u>–</u>	<u>153,730</u>

At 30 June 2025, the bank loans were scheduled to repay as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank loans:		
Repayable within one year	765,831	189,722
Repayable in the second year	7,881	815,593
Repayable in the third to fifth year, inclusive	<u>22,369</u>	<u>30,921</u>
	<u>796,081</u>	<u>1,036,236</u>

The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause.

The bank loans of the Group denominated in HK\$ of HK\$777,666,000 (2024: HK\$1,024,440,000) and US\$ in the equivalent amount of HK\$18,415,000 (2024: HK\$11,796,000) have floating interest rates ranging from 1.6% to 6.6% (2024: 5.05% to 8.25%).

12. EVENT AFTER THE REPORTING PERIOD

As described in detail in the announcement of the Company dated 23 September 2025, an indirect wholly-owned subsidiary of the Company (as the Vendor), and an independent third party (as the Purchaser) entered into a sale and purchase agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the sale shares, representing the entire issued shares of Big Bonus Limited (as the “Target Company”), a company incorporated in the BVI with limited liability, and the sale loan, representing the entire loan owing by the Target Company to the Vendor, at the consideration of RMB33,370,000 (equivalent to approximately HK\$36,470,073), upon and subject to the terms and conditions of the sale and purchase agreement. Upon completion, the Target Company and its subsidiaries will cease to be subsidiaries of the Group, and their financial results will no longer be consolidated into the consolidated financial statements of the Group.

I am pleased to present the annual results of Continental Holdings Limited (“the Company”) and its subsidiaries (“the Group”) for the financial year ended 30 June 2025. This results announcement aims to provide you with an overview of the financial performance of our Group and to highlight key factors that have influenced our results.

BUSINESS REVIEW AND MANAGEMENT DISCUSSION AND ANALYSIS

In the financial year ended 30 June 2025, the Group faced a challenging global business environment. Geopolitical tensions, inflationary pressures, and fluctuating commodity prices significantly influenced market conditions across our key regions. Despite these challenges, our commitment to product innovation, quality, and exceptional service has allowed us to remain resilient and sustain competitive performance in core markets.

For the fiscal year ended 30 June 2025, the Group’s consolidated revenue recorded an increase of approximately HK\$225.4 million or 62.5% from last year’s HK\$360.4 million to HK\$585.8 million. The increase in revenue was mainly attributable to the sales of properties of \$221.3 million. During the year, loss attributable to owners of the Company was HK\$259.1 million as compared to last year’s loss of HK\$257.3 million. The loss for the year was mainly resulting from recognition of loss of approximately HK\$276.1 million arising from the change in fair value of investment properties and impairment loss on mining right of approximately HK\$26.6 million. The basic loss per share was HK37.93 cent (2024: basic loss per share HK37.67 cent).

The US market has been adversely impacted by tariffs, high inflation, and persistent economic instability, which have dampened consumer purchasing power, particularly in the jewelry segment. However, our local production capabilities have helped mitigate some of these challenges, enabling us to remain competitive. While market conditions remain tough, our strategic initiatives and operational efficiencies position us to weather these uncertainties. Similar to the US, the UK and European markets have faced headwinds, including elevated gold prices and ongoing geopolitical uncertainties. Despite these pressures, our operations in these regions have demonstrated stability, underscoring the resilience of our business model and our ability to adapt to shifting market dynamics.

Our unwavering commitment to product innovation, quality, and exceptional service remains a key philosophy and driver. These core strengths continue to differentiate us and serve as the foundation for sustaining our competitive edge. To support growth initiatives, we are actively exploring new markets and customer segments, ensuring we remain adaptive to shifting global dynamics.

Despite above negative factors, the Group's revenue from jewellery segment recorded slightly increase of approximately HK\$6.2 million or 1.9% from last year's HK\$333.9 million to HK\$340.1 million for the year ended 30 June 2025. Jewellery segment recorded a profit of approximately HK\$19.9 million for the year ended 30 June 2025 as compared to last year's loss of approximately HK\$23.7 million. The turnaround in segment performance as result of the Group's resilience, demonstrated through streamlined operations and strategic cost control measures across both manufacturing processes and administrative functions. This improvement reflects stronger overall performance during the year.

The Hong Kong real estate market continues to operate in a dynamic environment. The residential property sector has shown early signs of stabilization, buoyed by improved market confidence and gradual economic normalization. Buyers remain cautiously optimistic, with sentiment improving as economic conditions recover. Conversely, the commercial property market remains subdued, weighed down by soft leasing activity in a renters' driven market. Despite these challenges, Hong Kong retains its appeal as a global financial hub and home to world-class educational institutions. These factors provide a catalyst for gradual recovery in the long term, particularly as economic conditions stabilize and investment sentiment improves.

The Group's revenue from sales of properties and rental income during the year amounted to approximately HK\$221.3 million and HK\$23.1 million respectively, representing an increase of HK\$222.1 million from the corresponding year of 2024 of HK\$22.3 million. The substantial increase in revenue was mainly from the sale of the Group's residential project, Amber Place, during the year. As at the date of this announcement, Amber Place has achieved total contracted sales of approximately HK\$235.8 million, of which HK\$221.3 million has been recognized as revenue in the reporting year whilst HK\$14.5 million is anticipated to be recognized as revenue in the second half of 2025 upon the handover of the completed units to buyers. Out of a total of 42 residential units, 39 units have entered contracted sales, representing approximately 92.9% of the total. Revenue from rental income during the year amounted to approximately HK\$23.1 million, representing an increase of HK\$0.8 million compared to the corresponding year in 2024, which recorded HK\$22.3 million. The growth in rental income was primarily attributed to One Continental (恒匯中心), where more units were successfully leased out during the year.

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

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

The Group owns 90% of its interests in the site at No. 1 of Cheung Wah Street, Cheung Sha Wan, Kowloon, with a site area of approximately 3,240 sq.ft. The site has been developed into a 25-storey residential development with a 2-storey retail podium/high-rise composite building, with a gross floor area of approximately 29,147 sq.ft. The project has been named “Amber Place (恒珀)” and the occupation permit has been obtained in July 2023. The residential development offers a total of 42 residential units. The sales of residential units commenced in July 2024, and a total of 39 units have entered contracted sales during the year.

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

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

As disclosed in previous annual reports, the Hongzhuang Gold Mine has remained in trial production since its acquisition in 2011, with minimal operational activity and no significant revenue contribution since 2015. Despite continued efforts, a minimal level of operations was maintained at the Hongzhuang Gold Mine since 2015. As a result, the Group has entered into an agreement to dispose of the Hongzhuang Gold Mine for a consideration of RMB33.4 million (equivalent to approximately HK\$36.5 million). Upon completion, this disposal provides an immediate cash inflow, eliminates the need for further capital injections into the mining business, and alleviates potential future liabilities. This strategic move allows the Group to concentrate capital and management resources on its core businesses of fine jewellery, diamonds, and property investment and development.

BUSINESS OUTLOOK

Looking ahead, we anticipate continued challenges stemming from elevated gold prices, inflationary pressures, and geopolitical uncertainties. While these factors may temper market demand, we remain optimistic about our long-term prospects. Our strong customer relationships and commitment to delivering value added service and quality products working hand in hand to provide support for the growth of their retail business. Our long-standing consistency and relationship continue to act as a solid foundation for the Group's resilience and growth. To address ongoing headwinds, we are leveraging a broader range offerings to better meet evolving customer expectations, while actively exploring and expanding our customer base in different regions. By maintaining a strategic emphasis on adaptability, operational efficiency, and market responsiveness, we are confident in our ability to navigate challenges and deliver sustainable value to our stakeholders.

The Hong Kong property market is poised for gradual recovery, with the residential sector showing early signs of stabilization. Improved market sentiment, driven by economic normalization, provides a foundation for cautious optimism among buyers. However, the commercial property segment continues to face significant challenges, including soft leasing activity and rental pressures. Despite these hurdles, Hong Kong's status as a global financial hub and its strong appeal to regional talent and investment remain key strengths. These factors are expected to support a gradual rebound in both residential and commercial property markets over the long term. By capitalizing on these strengths and remaining agile in response to market dynamics, the Group is well-positioned to navigate the evolving landscape and seize emerging opportunities.

IMPAIRMENT LOSS ON MINING RIGHT AND PROPERTY, PLANT AND EQUIPMENT

During the year ended 30 June 2025, the directors of the Company appointed an independent professional valuer, BMI Appraisals Limited, to perform a valuation with respect to Hongzhuang Gold Mine situated at Henan Province, China. Based on the valuation of recoverable amount of Hongzhuang Gold Mine, impairment loss on mining right and property, plant and equipment amounting to HK\$26,599,000 (2024: reversal of impairment loss of HK\$9,406,000) and HK\$459,000 (2024: reversal of impairment loss of HK\$168,000) respectively was recognized as the result, which primarily due to the decrease in the value of the comparable market transaction this year.

The recoverable amount of Hongzhuang Gold Mine was estimated based on the Market Approach with reference to comparable transactions, in which such approach was consistent with mining right valuation as at 30 June 2024.

The key inputs used in the valuation were the consideration-to-resources multiples obtained from comparable transactions involving gold mines in the PRC between 2021 and 2025, the adjusted contained gold metal based on the technical review report prepared by SRK Consulting China Limited under Chinese standard.

The Chinese standard resources estimates as reported by SRK Consulting China Limited were risk with uncertainty. The estimated fair value of the Hongzhuang Gold Mine has been assigned a lower or no credit to those resources with high resources risks.

As at 30 June 2025, the directors of the Company also conducted an impairment assessment on certain of the Group's property, plant and equipment under Yuanling mine site based on the estimation of discount cash flow of current stage of mining explorations and gold price during the year. Accordingly, HK\$1.6 million of impairment loss of property, plant and equipment (2024: Nil) was recognized and included in the consolidated statement of profit or loss and other comprehensive income.

All the above-mentioned impairment loss on mining right and property, plant and equipment was included in the Group's mining segment in the reportable and operating segment of the Group.

ANNUAL UPDATE ON DETAILS OF RESOURCES AND/OR RESERVES UNDER RULES OF 18.15, 18.17 AND 18.18 OF THE LISTING RULES

There has been no material change on the resources and/or reserves of the Group during the year. The following table shows the details of resources and/or reserves of the Group as at 30 June 2025:

Subsidiary	Mine field	Area (<i>km</i> ²)	Reporting date	Type of mining operation	Gold resources (<i>t</i>)	Reporting Standard	Gold grade (<i>g/t</i>)
Henan Multi-Resources Mining Company Limited*	Hongzhuang	1.09	30 June 2025	Underground	10.73	PRC 122b	5.58
					5.46	PRC 332	1.89
					24.66	PRC 333	4.46
	Yuanling	4.57	30 June 2025	Underground	–	PRC 122b	–
					–	PRC 333	–

Factors and assumptions such as gold grade, ore body thickness and shape of vein were considered for estimating the resources and/or reserves. Please refer to Section 8 of Appendix VII of the circular of the Company dated 25 January 2010 for further information of the resources and/or reserves estimation.

* The unofficial English translations or transliterations of Chinese names are for identification purpose only.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

As of 30 June 2025, the Group's gearing ratio was 0.3585 (2024: 0.3619), which is calculated on net debt divided by total equity plus net debt. Net debt is calculated as the sum of bank and other borrowings less cash and cash equivalents. The cash and cash equivalents of HK\$36,358,000 (2024: HK\$49,156,000) which were mainly denominated in Hong Kong Dollar, US Dollar, Renminbi and British Pound. Other borrowings in respect of amounts due to joint ventures, amounts due to related companies, loan from a controlling shareholder, amounts due to non-controlling interests and lease liabilities were approximately of HK\$161,736,000 (2024: HK\$136,169,000). Bank loans denominated in HK\$ and US\$ were approximately HK\$796,081,000 (2024: HK\$1,036,236,000). Details of pledge of assets in respect of bank loans are set out in the section PLEDGE OF ASSETS.

The decrease in the Group's cash and cash equivalent as at 30 June 2025 were mainly due to the payment of the finance costs and partial repayment of bank loans. In line with the Group's prudent financial management, the directors of the Company considered that the Group has sufficient working capital to meet its ongoing operational requirements.

PLEDGE OF ASSETS

As of 30 June 2025, the Group's bank loans denominated in HK\$ of HK\$777,666,000 (2024: HK\$1,024,440,000) are secured by the Group's certain property, plant and equipment, investment properties, certain right-of-use assets, properties under development and properties for sales, pledged by ordinary shares of certain subsidiaries of the Company and guaranteed by corporate guarantees executed by the Company. Whereas, bank loans denominated in US\$ in the equivalent amount of HK\$18,415,000 (2024: HK\$11,796,000) are guaranteed by corporate guarantees executed by the Company.

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 contract 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 year ended 30 June 2025. In light of the current financial position of the Group and provided there is no unforeseeable circumstance, the management does not anticipate the need to change the capital structure.

NUMBER OF EMPLOYEES AND REMUNERATION POLICIES

The Group employs a total of approximately 443 employees 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 of the Company, the Company have 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 30 June 2025, there were options for 9,200,000 shares were valid and outstanding under the 2010 Share Option Scheme.

CONTINGENT LIABILITIES

As at 30 June 2025, the Company has provided guarantees to the extent of HK\$630,928,000 (2024: HK\$843,690,000) with respect to bank loans to its subsidiaries. Under the guarantees, the Company would be liable to pay the banks if the banks are unable to recover the loans. At the reporting date, no provision for the Company's obligation under the guarantee contracts has been made as the directors of the Company considered that it was unlikely the repayment of the loans would be in default.

EXPOSURE TO FINANCIAL RISK AND RELATED HEDGE

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 year, 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.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 30 June 2025 (2024: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “AGM”) will be held on Monday, 15 December 2025 and the Notice of AGM will be published and despatched in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the Register of Members of the Company will be closed from 10, December 2025 to 15, December 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company’s Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on 9, December 2025.

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 year.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the financial reporting process and internal controls of the Group. The Audit Committee has discussed the Group's accounting policies and basis adopted, the financial and internal control process of the Group and has reviewed the interim and annual financial statements. As of the date of this announcement, the Audit Committee comprises of the four Independent Non-executive Directors of the Company.

CORPORATE GOVERNANCE

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 year ended 30 June 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.2.5

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

The Company does not have an internal audit function for the year ended 30 June 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 as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transaction by 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 year ended 30 June 2025.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk under “Listed Company Information” and at the website www.continental.com.hk. The annual report for the year ended 30 June 2025 will be dispatched to the shareholders and will be available on the above websites in due course.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and related notes thereto for the year ended 30 June 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited on the preliminary announcement.

ACKNOWLEDGEMENT

Finally, on behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our shareholders, customers and business partners for their continuous supports and trust, and extend my heartiest thanks and appreciation to our directors, to all staffs, for their relentless efforts, dedication and resilience during this challenging period. Looking ahead, we will continue our endeavor to overcome the future challenges and enhance the value of our business.

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

Hong Kong, 29 September 2025

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 the executive directors of the Company; and 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 the independent non-executive directors of the Company.