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HARBOUR EQUINE HOLDINGS LIMITED

維港育馬控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8377)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

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

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

ANNUAL RESULTS

The board of Directors (the “**Board**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024, which are presented in Hong Kong dollars (“**HK\$**”).

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

| | <i>Notes</i> | 2025 <i>HK\$’000</i> | 2024 <i>HK\$’000</i> (Restated) |
|--|--------------|--------------------------------|---------------------------------------|
| Continuing operations | | | |
| Revenue | | 21,705 | 67,071 |
| Direct costs | | (24,596) | (69,305) |
| Gross loss | | (2,891) | (2,234) |
| Other income, gains and losses, net | 5 | 18,617 | (13,606) |
| Selling and distribution expenses | | (144) | (2,006) |
| Administrative expenses | | (7,433) | (13,729) |
| (Impairment loss) reversal of impairment losses under expected credit loss model, net of reversal | | (4,871) | 150 |
| Impairment loss of goodwill | | (6,683) | — |
| Impairment loss of right-of-use assets | | (727) | — |
| Finance costs | | (1,873) | (3,540) |
| Loss before tax | | (6,005) | (34,965) |
| Income tax credit (expense) | 6 | 848 | (171) |
| Loss for the year from continuing operations | 7 | (5,157) | (35,136) |
| Discontinued operation | | | |
| Profit (loss) for the year from discontinued operation | 13 | 1,810 | (1,875) |
| Loss for the year | | (3,347) | (37,011) |

| | <i>Note</i> | 2025 HK\$'000 | 2024 HK\$'000 (Restated) |
|--|-------------|--------------------------------|--------------------------------|
| Other comprehensive (expense) income | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences arising on translation of foreign operations | | (2,890) | 2,424 |
| Release of cumulative translation reserve upon disposal of a foreign operation | | (5,251) | — |
| Release of cumulative translation reserve upon deregistration of a subsidiary | | 733 | — |
| | | <hr/> | <hr/> |
| Other comprehensive (expense) income for the year, net of income tax | | (7,408) | 2,424 |
| | | <hr/> | <hr/> |
| Total comprehensive expense for the year | | <u>(10,755)</u> | <u>(34,587)</u> |
| Loss per share | | | |
| | 9 | | |
| From continuing and discontinued operations | | | |
| Basic and diluted (<i>HK cents</i>) | | <u>(0.78)</u> | <u>(9.05)</u> |
| | | <hr/> | <hr/> |
| From continuing operations | | | |
| Basic and diluted (<i>HK cents</i>) | | <u>(1.20)</u> | <u>(8.59)</u> |
| | | <hr/> | <hr/> |

Consolidated Statement of Financial Position

At 31 December 2025

| | <i>Notes</i> | 2025 HK\$'000 | 2024 HK\$'000 |
|---|--------------|--------------------------------|------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 39 | 648 |
| Right-of-use assets | | — | 260 |
| Goodwill | | — | 6,683 |
| Intangible assets | | — | — |
| Financial asset at fair value through profit or loss ("FVTPL") | | — | — |
| Deferred tax assets | | 817 | — |
| | | <hr/> 856 | <hr/> 7,591 |
| CURRENT ASSETS | | | |
| Inventories | | 1,963 | 2,150 |
| Biological assets | | — | 482 |
| Trade receivables | <i>10</i> | 7,478 | 10,985 |
| Contract assets | | 1,884 | 7,249 |
| Deposits and other receivables | <i>10</i> | 1,982 | 2,136 |
| Cash and cash equivalents | | 1,905 | 3,784 |
| Tax recoverable | | 104 | 293 |
| | | <hr/> 15,316 | <hr/> 27,079 |
| Assets classified as held for sale | <i>13</i> | 149 | 6,478 |
| | | <hr/> 15,465 | <hr/> 33,557 |
| CURRENT LIABILITIES | | | |
| Trade payables | <i>11</i> | 7,785 | 6,721 |
| Other payables and accruals | <i>11</i> | 6,219 | 9,632 |
| Lease liabilities | | 457 | 393 |
| Tax payables | | — | 272 |
| | | <hr/> 14,461 | <hr/> 17,018 |
| Liabilities associated with assets classified as held for sale | <i>13</i> | 14 | 16,307 |
| | | <hr/> 14,475 | <hr/> 33,325 |

| | <i>Note</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------|--------------------------------|-------------------------|
| NET CURRENT ASSETS | | <u>990</u> | <u>232</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,846</u> | <u>7,823</u> |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | <i>12</i> | 19,374 | 22,610 |
| Lease liabilities | | 274 | 265 |
| Deferred tax liabilities | | — | 1 |
| Retirement benefit obligations | | 232 | 146 |
| | | <u>19,880</u> | <u>23,022</u> |
| NET LIABILITIES | | <u>(18,034)</u> | <u>(15,199)</u> |
| CAPITAL AND RESERVES | | | |
| Share capital | | 24,547 | 20,457 |
| Reserves | | (42,581) | (35,656) |
| TOTAL DEFICIT | | <u>(18,034)</u> | <u>(15,199)</u> |

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

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

The Company is an investment holding company. During the year, the Company’s subsidiaries were principally engaged in the manufacture and selling of high-performance sewing threads and broad categories of garment accessories, provision of interior design, interior decorating and furnishing services, trading of bloodstocks and provision of advising on securities, corporate finance and asset management services. During the year ended 31 December 2025, the board of directors of the Company (“**Board**”) resolved to discontinue the operating segment of provision of advising on securities, corporate finance and asset management services in the Hong Kong due to the reallocation and concentration of resources to other business sectors.

The functional currency of the Company is Hong Kong Dollars (“**HK\$**”), which is also the presentation currency of Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual periods beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21 and HKFRS 1 *Lack of Exchangeability*

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

| | |
|--|--|
| Amendments to HKFRS 9 and HKFRS 7 | <i>Amendments to the Classification and Measurement of Financial Instruments²</i> |
| Amendments to HKFRS 10 and HKAS 28 | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture¹</i> |
| Amendments to HKFRS 9 and HKFRS 7 | <i>Amendments to Contracts Referencing Nature-dependent Electricity²</i> |
| Amendments to HK Interpretation 5 | <i>Amendments to Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)³</i> |
| Amendments to HKFRS Accounting Standards | <i>Annual Improvements to HKFRS Accounting Standards — Volume 11²</i> |
| HKFRS 18 | <i>Presentation and Disclosure in Financial Statements³</i> |
| HKFRS 19 | <i>Subsidiaries without Public Accountability Disclosures³</i> |

¹ Effective for annual periods beginning on or after a date to be determined.

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

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

Except for the new and amendments to HKFRS Accounting Standards mentioned in note 2 to the consolidated financial statements, the directors of the Company (the “**Directors**”) anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and by the Hong Kong Companies Ordinance (“**CO**”).

As stated in the consolidated financial statements, the Group incurred loss for the year of approximately HK\$3,347,000 for the year ended 31 December 2025, and as of that date, the Group has net liabilities of approximately HK\$18,034,000. Even though the Group's current assets marginally exceeded its current liabilities by approximately HK\$990,000, but the Group incurred consecutive loss for several years and its cash and cash equivalents amounted to approximately HK\$1,905,000 only. Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis as the Directors have given careful consideration to the impact of the current and anticipated future liquidity of the Group and are satisfied that:

- (a) Ongoing Support from a director: One of the Directors, Leung Tat Chi agreed to provide a financial support of HK\$10,000,000 at any time to meet in full the Group's financial obligation on or before 31 December 2026;
- (b) Restructuring: The Group has undertaken a comprehensive review of its operational structure, to aim at improving cash flow and profitability. These measures include downsizing or disposing non-profitable business units, renegotiating supplier contracts to reduce procurement costs, and optimizing overhead expenditures;
- (c) Revenue-Generating Opportunities: In addition to cost-cutting measures, the Group will find revenue-generating initiatives;
- (d) Refinancing and Availability of Liquidity Facilities: The Directors have undergone ongoing negotiations with financial institutions to extend or restructure existing credit facilities. This would provide the Group with additional liquidity to meet short-term obligations and continue its operations without significant disruption. The Directors are confident in their ability to secure such extensions or refinancings, particularly given the Group's established relationships with its lenders;
- (e) Cash Flow Projections and Short-Term Liquidity: The Group has developed detailed cash flow projections for the 12-month period up to 31 December 2026, considering various scenarios, including conservative revenue estimates and potential delays in receivables. The Directors have reviewed these projections and believe that the Group will be able to generate sufficient cash flow to meet its operational needs and financial obligations in the short term. This includes meeting its working capital requirements and servicing any outstanding debts; and

- (f) **Management’s Experience and Expertise:** The Directors are confident in the management team’s ability to navigate through the current financial challenges. The management team has demonstrated a proven track record of successfully implementing strategic initiatives, managing financial constraints, and adapting to changing market conditions. The Directors believe that with the current leadership, the Group will be able to execute its recovery plan effectively.

The Directors are of the opinion that the Group will be able to have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for a period of not less than the next twelve months from 31 December 2025. Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2025 on a going concern basis. The consolidated financial statements do not include any adjustments that would result from the failure of the Group to obtain sufficient future funding. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to reduce the carrying amounts of the assets of the Group to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

4. OPERATING SEGMENTS

Information reported to the board of Directors of the Company (the “**Board**”), being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group now has three (2024: four) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The Group has three reportable segments under HKFRS 8 *Operating Segments* as follows:

Manufacture and selling of sewing threads

- manufacture and selling of high-performance sewing threads and broad categories of garment accessories

Interior design and decoration

- provision of interior design, interior decorating, furnishing services and sales of furnishings

Equine services

- trading of bloodstocks, provision of stallion services and equine handling services

As detailed in Note 1 to this announcement, during the year ended 31 December 2025, the Board resolved to discontinue the operating segment of provision of advising on securities, corporate finance and asset management services due to the reallocation and concentration of resources to other business sectors. The segment information reported does not include any figures from this discontinued operation:

(a) Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 December 2025

Continuing operations

| | Manufacture and selling of sewing threads <i>HK\$'000</i> | Interior design and decoration <i>HK\$'000</i> | Equine services <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|---|---|---|---------------------------------------|--------------------------|
| Reportable segment revenue from external customers | <u>1,226</u> | <u>20,404</u> | <u>75</u> | <u>21,705</u> |
| Reportable segment loss | <u>(171)</u> | <u>(18,014)</u> | <u>(545)</u> | (18,730) |
| Unallocated other income | | | | 18,678 |
| Unallocated corporate expenses | | | | <u>(5,953)</u> |
| Group's loss before tax | | | | <u>(6,005)</u> |

For the year ended 31 December 2024

Continuing operations (Restated)

| | Manufacture and selling of sewing threads <i>HK\$'000</i> | Interior design and decoration <i>HK\$'000</i> | Equine services <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|---|---|---|---------------------------------------|--------------------------|
| Reportable segment revenue from external customers | <u>8,035</u> | <u>52,517</u> | <u>6,519</u> | <u>67,071</u> |
| Reportable segment profit (loss) | <u>(19,549)</u> | <u>2,551</u> | <u>(10,545)</u> | (27,543) |
| Unallocated corporate expenses | | | | <u>(7,422)</u> |
| Group's loss before tax | | | | <u>(34,965)</u> |

5. OTHER INCOME, GAINS AND LOSSES, NET

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Rental income, net | — | 84 |
| Fair value gains on financial assets at FVTPL, net | — | 124 |
| Financial guarantee fee from a related company | — | 44 |
| Exchange gain (loss), net | 932 | (2,483) |
| Fair value gain on biological assets, net | — | 309 |
| Interest income | 2 | 7 |
| Insurance compensation | — | 592 |
| Gain on disposal of subsidiaries | 16,143 | — |
| Loss on derecognition of a subsidiary | (451) | — |
| (Loss) gain on disposal of property, plant and equipment | (36) | 229 |
| Loss on written-off of property, plant and equipment | — | (16) |
| Loss on disposal of biological assets | — | (3,413) |
| Gain on termination of a lease contract | — | 19 |
| Written-off of trade receivables | — | (376) |
| Written-off of other receivables | (38) | (8,947) |
| Waiver of other payables | 2,021 | — |
| Others | 44 | 221 |
| | <u>18,617</u> | <u>(13,606)</u> |

6. INCOME TAX (CREDIT) EXPENSE

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> (Restated) |
|--|-------------------------|---------------------------------------|
| Current tax | — | 73 |
| (Over) Under provision in prior years: | (30) | 155 |
| Deferred tax | (818) | (57) |
| | <u>(848)</u> | <u>171</u> |
| Total income tax (credit) expense | <u>(848)</u> | <u>171</u> |

7. LOSS FOR THE YEAR

Loss before tax from continuing operations has been arrived at after charging:

| | 2025 | 2024 |
|--|------------------------|---------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | | (Restated) |
| Auditor's remuneration | | |
| — Audit services | 450 | 700 |
| — Non-audit services | — | 90 |
| Cost of inventories sold | | |
| — Manufacture and sewing of threads | 891 | 10,001 |
| — Interior decorating and furnishing services | 1,399 | 3,667 |
| Cost of bloodstocks sold | 520 | 8,187 |
| Written-down of inventories | 96 | 1,721 |
| Depreciation of property, plant and equipment | 104 | 530 |
| Depreciation of right-of-use assets | 451 | 725 |
| Lease payments not included in the measurement of lease liabilities | 172 | 1,243 |
| | <u>172</u> | <u>1,243</u> |

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

9. LOSS PER SHARE

For continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to owners of the Company is based on the following data:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|---------------------------|---------------------------|
| Loss for the year attributable to owners of the Company | (3,347) | (37,011) |
| Less: Profit (loss) for the year from discontinued operation | <u>1,810</u> | <u>(1,875)</u> |
| Loss for the purpose of basic and diluted loss per share from continuing operations | <u><u>(5,157)</u></u> | <u><u>(35,136)</u></u> |
| Number of shares | | |
| Weighted average number of ordinary shares for the purpose of basic and diluted loss per share | <u><u>428,639,394</u></u> | <u><u>409,141,860</u></u> |
| Basic and diluted loss per share <i>(HK cents) (Note)</i> | <u><u>(1.20)</u></u> | <u><u>(8.59)</u></u> |

From discontinued operation

The calculation of the basic and diluted earnings (loss) per share from discontinued operation attributable to owners of the Company is based on the following data:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|---------------------------|---------------------------|
| Earnings (loss) for the purpose of basic and diluted earnings (loss) per share from discontinued operation | <u><u>1,810</u></u> | <u><u>(1,875)</u></u> |
| Number of shares | | |
| Weighted average number of ordinary shares for the purpose of basic and diluted earnings (loss) per share | <u><u>428,639,394</u></u> | <u><u>409,141,860</u></u> |
| Basic and diluted earnings (loss) per share <i>(HK cents) (Note)</i> | <u><u>0.42</u></u> | <u><u>(0.46)</u></u> |

For continuing and discontinued operations

The calculation of the basic and diluted loss per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|---------------------------|---------------------------|
| Loss for the purpose of basic and diluted loss per share from continuing and discontinued operation | <u><u>(3,347)</u></u> | <u><u>(37,011)</u></u> |
| Number of shares | | |
| Weighted average number of ordinary shares for the purpose of basic and diluted loss per share | <u><u>428,639,394</u></u> | <u><u>409,141,860</u></u> |
| Basic and diluted loss per share <i>(HK cents) (Note)</i> | <u><u>(0.78)</u></u> | <u><u>(9.05)</u></u> |

Note:

The computation of diluted loss per share for the year ended 31 December 2024 does not assume the conversion of the Company's outstanding share options since their assumed exercise would result in a decrease in loss per share from operations.

There were no potential dilutive ordinary shares outstanding during the year ended 31 December 2025. Accordingly, diluted loss per share was the same as basic loss per share.

10. TRADE AND OTHER RECEIVABLES

| | <i>Note</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------|--------------------------------|-------------------------|
| Trade receivables — contracts with customers | | 11,699 | 11,164 |
| Less: Allowance for credit losses | | <u>(4,221)</u> | <u>(179)</u> |
| | <i>(a)</i> | <u>7,478</u> | <u>10,985</u> |
| Other prepayments | | 812 | 662 |
| Deposits and other receivables | | 154 | 786 |
| Amount due from a director | | <u>1,028</u> | <u>736</u> |
| | | 1,994 | 2,184 |
| Less: Allowance for credit losses | | <u>(12)</u> | <u>(48)</u> |
| | | <u>1,982</u> | <u>2,136</u> |

As at 1 January 2024, trade receivables from contracts with customers amount to approximately to HK\$8,019,000 net of allowance for credit losses of approximately HK\$424,000.

Note:

- a) The followings is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice dates.

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|----------------|--------------------------------|-------------------------|
| Within 1 month | 421 | 5,977 |
| 1 to 2 months | 1,783 | 621 |
| 2 to 3 months | 722 | 422 |
| Over 3 months | <u>4,552</u> | <u>3,965</u> |
| | <u>7,478</u> | <u>10,985</u> |

11. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Trade payables | | |
| — from third parties (<i>Note a</i>) | <u>7,785</u> | <u>6,721</u> |
| Other payables and accruals | | |
| Contract liabilities | 331 | 381 |
| Other payables and accruals | 4,667 | 6,839 |
| Amount due to a shareholder (<i>Note b</i>) | 1,197 | 1,109 |
| Amounts due to directors (<i>Note b</i>) | <u>24</u> | <u>1,303</u> |
| | <u>6,219</u> | <u>9,632</u> |

Notes:

- a) The following is an aged analysis of trade payables presented based on the invoices date.

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| Within 1 month | 2,196 | 5,056 |
| 1 to 2 months | 399 | 545 |
| 2 to 3 months | — | 55 |
| Over 3 months | <u>5,190</u> | <u>1,065</u> |
| | <u>7,785</u> | <u>6,721</u> |

- b) The amounts were unsecured, interest-free and repayable on demand.

12. BORROWINGS

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|-------------------------------------|--------------------------------|-------------------------|
| Loans from shareholders — unsecured | 2,880 | 8,110 |
| Other borrowings — secured | 16,494 | 14,500 |
| | <u>19,374</u> | <u>22,610</u> |

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

| | Loans from shareholders and other borrowings | |
|---|---|-------------------------|
| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
| The carrying amounts of the borrowings are repayable | | |
| — Within a period of more than one year but not exceeding two years | <u>19,374</u> | <u>22,610</u> |

13. DISCONTINUED OPERATION/DISPOSAL GROUP HELD FOR SALE

a) **Discontinued Operation — Hua Yu Investment Management Limited (as at 31 December 2025)**

During the year ended 31 December 2025, the Group entered into a sale agreement with a purchaser, an independent third party, in respect of the disposal of a subsidiary, Hua Yu Investment Management Limited (“**Hua Yu**”) for a cash consideration of HK\$800,000 (the “**Disposal I**”). Hua Yu carries out all of the Group’s advising on securities, corporate finance and asset management operation. The disposal was due to the reallocation and concentration of resources to other business sectors. The Disposal I was completed on 20 March 2026. The assets and liabilities attributable to the business, which were expected to be sold within twelve months, had been classified as held for sale and were presented separately in the consolidated statement of financial position.

The profit (loss) for the years from the discontinued operation in respect of advising on securities, corporate finance and asset management operation are set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the advising on securities, corporate finance and asset management operation as a discontinued operation.

| | 2025 | 2024 |
|--|---------------------|-----------------|
| | <i>HK\$’000</i> | <i>HK\$’000</i> |
| Profit (loss) of advising on securities, corporate finance and asset management for the year | <u>1,810</u> | <u>(1,875)</u> |

The results of the discontinued operation in respect of advising on securities, corporate finance and asset management for the year, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|--------------------------------|-------------------------|
| Revenue | | |
| Advising on securities, corporate finance and asset management | 2,084 | 1,510 |
| Impairment loss on intangible asset | — | (3,788) |
| Reversal of impairment loss under expected credit loss model | — | 3 |
| Administrative expenses | <u>(274)</u> | <u>(219)</u> |
| Profit (loss) before tax | 1,810 | (2,494) |
| Income tax credit | <u>—</u> | <u>619</u> |
| Profit (loss) for the year | <u>1,810</u> | <u>(1,875)</u> |

The major classes of assets and liabilities of advising on securities, corporate finance and asset management operation as at 31 December 2025, which have been presented separately in the consolidated statement of financial position, are as follows:

| | 2025 <i>HK\$'000</i> |
|--|--------------------------------|
| Asset classified as held for sale | |
| Intangible assets (<i>Note</i>) | — |
| Cash and cash equivalents | <u>149</u> |
| Liability associated with assets classified as held for sale | |
| — Accruals | <u>(14)</u> |

Note: The intangible assets are fully impaired as at 31 December 2024.

b) Disposal group held for sale — Strat Tech Holdings Limited (as at 31 December 2024)

On 2 October 2024, the Company and Trillion Mind Limited (“**Trillion Mind**”), an independent third party, entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell, and Trillion Mind conditionally agreed to purchase, the sale share, representing the entire issued share capital in the Strat Tech Holdings Limited (“**Strat Tech**”) for a total consideration of HK\$1,000,000 (the “**Disposal II**”).

Accordingly, the assets and liabilities of Strat Tech and its subsidiaries (“**Strat Tech Group**”), which were expected to be sold within twelve months, had been classified as a disposal group held for sale as at 31 December 2024 and are presented separately in the consolidated statement of financial position. The net proceeds of Disposal II were expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss had been recognised.

Strat Tech Group was principally engaged in the manufacture and sale of sewing threads and broad categories of garment accessories. Strat Tech Group was included in the Group’s manufacture and selling of sewing threads activities for segment reporting purposes (see Note 4).

The Disposal II was completed on 27 January 2025.

The major classes of assets and liabilities of the Strat Tech Group classified as held for sale are as follows:

| | <i>HK\$'000</i> |
|---|----------------------|
| Plant and equipment | 164 |
| Financial asset at FVTPL | 5,318 |
| Right-of-use assets | 172 |
| Trade and other receivables | 452 |
| Bank balances and cash | <u>372</u> |
| | |
| Total assets classified as held for sale | <u><u>6,478</u></u> |
| | |
| Trade and other payables | 13,066 |
| Lease liabilities | 186 |
| Tax payables | 900 |
| Retirement benefit obligations | 162 |
| Bank borrowing | <u>1,993</u> |
| | |
| Total liabilities classified as held for sale | <u><u>16,307</u></u> |

Cumulative amount of HK\$10,977,000 relating to the disposal group classified as held for sale had been recognised in other comprehensive income and included in equity.

EXTRACT OF THE INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 December 2025.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3.1 to the consolidated financial statements, which indicates that the Group incurred loss of approximately HK\$3,347,000 for the year ended 31 December 2025, and as of that date, the Group has net liabilities of approximately of HK\$18,034,000. Even though the Group’s current assets marginally exceeded its current liabilities by approximately HK\$990,000, the Group incurred loss consecutively for several years and its cash and cash equivalents amounted to approximately HK\$1,905,000 only. These conditions, along with other matters as set forth in Note 3.1 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The aforesaid “Note 3.1 to the consolidated financial statements” in the extract of the independent auditor’s report is disclosed in Note 3 to this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 December 2025, the Group's revenue decreases to approximately HK\$21.7 million, representing a decrease of approximately 67.6%, as compared to revenue of approximately HK\$67.1 million for the year ended 31 December 2024. The Group's net loss for the year 2025 amounted to approximately HK\$3.3 million for the year ended 31 December 2025 while the Group's net loss for the year 2024 amounted to approximately HK\$37.0 million. Such loss decrease was primarily due to the disposal gain of subsidiaries.

The Group is principally engaged in the manufacturing and selling of sewing threads and board categories of garment accessories, provision of interior design, interior decoration and furnishing services, provision of trading of bloodstock, stallion services and equine handling services and provision of securities, advising on securities, corporate finance and asset management services. During the year ended 31 December 2025, the board of directors of the Company resolved to discontinue the operating segment of provision of advising on securities, corporate financial advisory services and asset management services in the Hong Kong due to the reallocation and concentration of resources to other business sectors.

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

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

For the segment of equine business, we disposed all stock in order to reduce our future upkeep and maintenance costs. A certain level of loss has been recorded as a result.

For the finance and asset management business, it was disposed to an independent third party on 20 March 2026.

Financial Review

Revenue

The revenue was generated from the segment of manufacturing and trading of threads product, interior design and decoration, equine services and financial services. The following table sets out a breakdown of the Group's revenue attributable to four segments of the Group of the years ended 31 December 2025 and 2024:

| | Year ended 31 December | | | | Rate of |
|--------------------------------------|------------------------|-------------------|----------------|----------------|----------|
| | 2025 | 2024 | | | change |
| | <i>% of total</i> | <i>% of total</i> | | | |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>revenue</i> | <i>revenue</i> | <i>%</i> |
| Continuing Operations | | | | | |
| Manufacturing and trading of threads | 1,226 | 5.1 | 8,035 | 11.7 | (84.7) |
| Interior design and decoration | 20,404 | 85.8 | 52,517 | 76.6 | (61.1) |
| Equine services | 75 | 0.3 | 6,519 | 9.5 | (98.8) |
| | 21,705 | 91.2 | 67,071 | 97.8 | (67.6) |
| Discontinued operation | | | | | |
| Finance and asset management | 2,084 | 8.8 | 1,510 | 2.2 | 38.0 |
| | 23,789 | 100 | 68,581 | 100 | (65.3) |

Continuing Operations

Manufacturing and trading of threads

The revenue attributable to the manufacturing and trading of threads decreased to approximately HK\$1.2 million for the year ended 31 December 2025 from approximately HK\$8 million for the year ended 31 December 2024, representing a decrease of approximately 84.7%. The decrease in revenue was mainly due to the disposal of the major operating subsidiaries of this segment on 27 January 2025.

Interior design and decoration

The revenue attributable to the interior design and decoration decreased to approximately HK\$20.4 million for the year ended 31 December 2025 from approximately HK\$52.5 million for the year ended 31 December 2024, representing a decrease of approximately 61.1%. The revenue decrease was mainly due to the decrease in new projects in 2025. The Group will release more resources to expand this segment in 2026.

Equine Services

The revenue attributable to equine services decreased to approximately HK\$75,000 for the year ended 31 December 2025 from approximately HK\$6.5 million for the year ended 31 December 2024, representing a decrease of approximately 98.8%. The revenue decrease was mainly because management noticed price weakness in selected segments of the thoroughbreds market. As a result, decision was made to dispose all bloodstock to keep future operating expenses at a manageable level.

Discontinued Operation

Financial Services

The revenue attributable to the financial services was approximately HK\$2.1 million for the year ended 31 December 2025 and this segment was disposed to an independent third party on 20 March 2026.

Cost of sales

The Group's cost of sales primarily consisted of direct material costs, processing fees, direct labour costs, welfare and social insurance, agistment costs, bloodstock insurance and direct cost of bloodstock. The following table sets out a breakdown of the Group's cost of sales attributable to three segments of the Group for the years ended 31 December 2025 and 2024:

| | Year ended 31 December | | Rate of change % |
|--------------------------------------|-------------------------------|-----------------|------------------------|
| | 2025 | 2024 | |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | |
| Manufacturing and trading of threads | 891 | 11,725 | (92.4) |
| Interior design and decoration | 23,185 | 46,336 | (50.0) |
| Equine services | 520 | 11,244 | (95.4) |
| | <u>24,596</u> | <u>69,305</u> | <u>(64.5)</u> |

Manufacturing and trading of threads

The cost of sales attributable to the manufacturing and trading of threads decrease to approximately HK\$891,000 for the year ended 31 December 2025 from approximately HK\$11.7 million for the year ended 31 December 2024, representing a decrease of 92.4%. The decrease in cost of sales for manufacturing and trading of threads was due to the disposal of the major operating subsidiaries of this segment on 27 January 2025.

Interior design and decoration

The cost of sales attributable to the interior design and decoration decrease to approximately HK\$23.2 million for the year ended 31 December 2025 from approximately HK\$46.3 million for the year ended 31 December 2024 representing decrease of 50.0%. The decrease in cost of sales for interior design and decoration was mainly due to decrease in sales for the year.

Equine services

The cost of sales attributable to the equine services decrease to approximately HK\$520,000 for the year ended 31 December 2025 from approximately HK\$11.2 million for the year ended 31 December 2024, representing a decrease of 95.4%. The decrease of cost of sales for equine services was mainly due to the disposal of all of the bloodstocks and stallions and therefore, the agistment cost generated from the bloodstocks and the direct cost of bloodstocks and stallions generated decreased compared with the preceding year.

Gross loss and gross (loss) profit margin

The Group recorded a gross loss of HK\$2.9 million for the year ended 31 December 2025 as compared with a gross loss of HK\$2.2 million for the year ended 31 December 2024, representing an increase of HK\$0.7 million of gross loss compared with last year. The gross loss margin increased to 13.3% for the year end 31 December 2025 and gross loss margin was 3.3% for the year ended 31 December 2024. The gross profit margin of threads segment increased to 27.3% for the year ended 31 December 2025 while gross loss margin was 45.9% for the year ended 31 December 2024, the gross loss margin for the decoration segment is 13.6% for the year ended 31 December 2025 while gross profit margin was 11.8% for the year ended 31 December 2024, the gross loss margin for the equine services segment increased to 593% for the year ended 31 December 2025 while gross loss margin was 72.5% for the year ended 31 December 2024.

Other income, gains and losses, net

The Group recorded other income, gains and losses, net of approximately HK\$18.6 million for the year ended 31 December 2025 as compared with other losses and expenses, net of approximately HK\$13.6 million for the year ended 31 December 2024. Such change was mainly due to the disposal gain of subsidiaries.

Selling and distribution expenses

Selling and distribution expenses mainly consisted of staff costs and transportation expenses for segment of manufacturing and trading of threads. Selling expenses decreased to approximately HK\$0.1 million for the year ended 31 December 2025 from approximately HK\$2.0 million for the year ended 31 December 2024, representing a decrease of approximately 95%. Such decrease was mainly due to the disposal of the major operating subsidiaries of this segment on 27 January 2025.

Administrative expenses

Administrative expenses primarily consisted of staff costs, directors' remuneration and legal and professional fees. Administrative expenses decreased to approximately HK\$7.4 million for the year ended 31 December 2025 from approximately HK\$13.7 million for the year ended 31 December 2024, representing a decrease of approximately 45.9%. Such decrease was mainly attributable to the decrease in staff costs and directors' remuneration expense.

Finance costs

The Group's finance costs decreased to approximately HK\$1.9 million for the year ended 31 December 2025 from approximately HK\$3.5 million for the year ended 31 December 2024, representing a decrease of approximately 45.7%. Such decrease was mainly due to the decrease in borrowings.

Loss before tax

As a result of the aforesaid, the Group recorded a loss before tax of approximately HK\$6.0 million for the year ended 31 December 2025 while loss before tax for the year ended 31 December 2024 was approximately loss HK\$35.0 million for the year ended 31 December 2024, representing a decrease of approximately 82.8%.

Income tax credit (expense)

The Group recorded income tax credit of approximately HK\$848,000 for the year ended 31 December 2025 and income tax expense of approximately HK\$171,000 for the year ended 31 December 2024. The income tax credit is generated from deferred tax.

Total comprehensive expenses attributable to owners of Company

The total comprehensive expenses attributable to owners of the Company decreased to approximately HK\$10.8 million for the year ended 31 December 2025 from approximately HK\$34.6 million for the year ended 31 December 2024, representing a decrease of approximately 68.8%. Such decrease was mainly due to the disposal gain of subsidiaries.

Basic and diluted loss per share

The Company's basic and diluted loss per share from continuing and discontinued operations for the year ended 31 December 2025 was approximately HK0.78 cents (2024: basic and diluted loss per share of HK9.05 cents), representing a decrease of approximately 91.4%, which was mainly due to the disposal gain of subsidiaries.

Final dividend

The board did not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

Liquidity and Financial Resources

For the year ended 31 December 2025, the Group's operations were primarily financed through its operating and financing activities. The Directors believe that in the long term, the Group's operations will continue to be funded by a combination of cash generated from the Group's operating activities and financing activities.

The Group's cash and bank balances amounted to approximately HK\$1.9 million and approximately HK\$3.8 million as at 31 December 2025 and 2024, respectively. The functional currency of the Group is Hong Kong dollar. As at 31 December 2025, 98.8% of the Group's cash and bank balances were denominated in the Group's functional currency (31 December 2024: 94.1%) and the remaining 1.2% (31 December 2024: 5.9%) were denominated in other currencies, mainly Australian Dollars.

As at 31 December 2025, the Group has net current assets of approximately HK\$1 million as compared with net current assets of approximately HK\$0.2 million as at 31 December 2024. The current assets included trade receivables, contract assets, deposits and other receivables, inventories, biological assets, tax recoverable and cash, cash equivalents and assets classified as held for sale. The Group's current ratio increased to approximately 1.07 as at 31 December 2025 from approximately 1.01 as at 31 December 2024.

Gearing Ratio

The Group's gearing ratio is calculated based on net debt (including borrowings, trade payables, other payables and accruals, lease liabilities, and retirement benefit obligations less cash and cash equivalents) divided by the total equity plus net debt at the respective reporting date. The gearing ratio is approximately 225.2% and approximately 173.1% as at 31 December 2025 and 2024, respectively. The increase of the gearing ratio was mainly attributable to the loss incurred during the year.

Capital Commitments

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

Capital Structure

On 22 September 2025, the Company entered into the subscription agreements with not less than six subscribers, pursuant to which the subscribers has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 81,800,000 new Shares for subscribers at the subscription price of HK\$0.10 per subscription share. Also, the placing agent and the Company entered into the placing agreement, pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 81,800,000 placing shares at the placing price of HK\$0.10 per placing share to not less than six placees who and whose beneficial owners shall be Independent of the Company. The subscriptions and placing of the new shares has been completed on 6 October 2025. Details of the subscription and placing of the new shares are set out in the announcements of the Company dated 22 September 2025 and 6 October 2025.

As at 31 December 2025, the Company's issued share capital amounted to approximately HK\$24.5 million, divided by 490,941,860 Shares of HK\$0.05 each.

Significant Investments

There were neither significant investment held as at 31 December 2025 nor material acquisitions during the year ended 31 December 2025.

Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies

For the year ended 31 December 2025, the Group did not have any material acquisitions of subsidiaries and affiliated companies and the Group had disposed the major subsidiaries of the manufacture and selling of sewing threads segment on 27 January 2025.

Future Plans for Material Investments and Capital Assets

There was no plan for material investment or capital assets as at 31 December 2025.

Contingent Liabilities

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

Treasury Policies

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients and credit review of the Group's loan portfolio. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

Foreign Exchange Exposure

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

Pledge of Assets

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

Employees and Remuneration Policies

As at 31 December 2025, the Group employed a total of 10 employees (as at 31 December 2024: 79, of whom 60 were located in the PRC and 19 were located in Hong Kong), all were located in Hong Kong. The Group's staff costs mainly comprised wages and salaries, social insurance, housing provident fund and severance payments. For the two years ended 31 December 2025 and 2024, the Group's total staff costs (excluding Directors' emoluments) amounted to approximately HK\$2.3 million and HK\$10.2 million, respectively. The Group offers remuneration packages comprising basic salaries, discretionary bonuses and allowances to its management and office staff. For the workers at the Guangzhou Production Facilities, the Group offers them salaries above the minimum wage, promotion opportunities and budgets for social events.

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

Pursuant to the relevant labour laws, rules and regulations in the PRC, the Group participates in defined contribution retirement benefit scheme (the “**Retirement Benefit Scheme**”) organised by the relevant local government authorities in the PRC whereby the Group is required to make contributions to the Retirement Benefit Scheme at a certain rate of the standard wages determined by the relevant authorities in the PRC during the year. Contributions to the Retirement Benefit Scheme vest immediately.

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

The remuneration committee of the Company is responsible for reviewing and determining the remuneration packages of the Directors and senior management members with reference to the salaries paid by comparable companies, time commitment and responsibilities, employment conditions elsewhere in the Group and the desirability of performance-based remuneration. Any discretionary bonus and other merit payments are linked to the profit performance of the Group and the individual performance of the Directors and senior management members. The existing share option scheme of the Company (the “**Share Option Scheme**”) was adopted by the Company at the extraordinary general meeting of the Company held on 8 February 2023 and the previous share option scheme of the Company adopted on 24 November 2017 (the “**Old Share Option Scheme**”) was terminated on the same date. Under the Old Share Option Scheme and the Share Option Scheme the Company may grant options to, among others, any employees (full-time or part-time) or Directors with a view to rewarding them for their contributions to the Group, giving incentive to them for optimising their performance and efficiency and attracting as well as retaining those whose future contributions are important to the long-term growth and profitability of the Group. Since the adoption of the Share Option Scheme and up to the date of this announcement, no share options have been granted pursuant to the Share Option Scheme. Details of share granted under the Old Share Option Scheme are set out in Note 32 to the consolidated financial statements.

Compliance with Laws and Regulations

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has in all material respects complied with all relevant laws, rules and regulations that have a significant impact on the Group and its operations in Hong Kong, PRC and Australia.

Environmental Policies and Performance

In order to better integrate the concept of social responsibility into the Group's strategy and decision-making and to further guide the Group to develop a socially responsible practice, the Group has established an environmental, social and governance ("ESG") report preparation team. While preparing the report, the Group strives to incorporate the notion of sustainable development into its daily operations.

Meanwhile, the Group has established a systematic stakeholder communication channel with the aim to facilitate positive interactions with the Group's stakeholders, actively respond to relevant litigation issues and promote quality, effective and sustainable growth. Throughout the year ended 31 December 2025, the Group has maintained its business integrity and dedication to environmental protection, while continuously striving to improve quality management and employee care.

For further information in relation to the Group's ESG practices, please refer to the Group's separate ESG report, which is published on the websites of the Stock Exchange and the Company.

Relationship with Stakeholders

Employees are considered to be one of the most important factors that contribute to the productivity of the Group. Employees of the Group are mainly provided with on-the-job training as well as remuneration packages and allowances.

The Group also communicates closely with its customers to obtain valuable feedback and provides them with information about the Group's products and trends in the sewing threads market. The Group has maintained business relationships with its five largest customers for a period ranging from approximately five to twenty years, respectively. Likewise, the Group has also established stable relationships with its suppliers. As such, the Directors believe that the Group has developed a trustworthy and reliable reputation as well as a strong partnership with its customers and suppliers.

Future Plans and Prospects

For the existing principal business of manufacturing and selling of sewing threads, the Group has disposed on 27 January 2025 and shareholders can refer to the announcement on 2 October 2024.

For the business line of interior design, fitting out and decoration services, the Group considers that there is a growing popularity of interior design, fitting-out and decoration in commercial, residential and public sectors in Hong Kong and the Greater Bay Area to seek individuality and style. Hence, the Group expected this business line will become a principal business in our Group in 2026. The Group will release more resources to expand this segment and source more new higher profit margin customers in 2026.

For the equine services segment, the management will adopt prudent approach to consider the business opportunity and maintain lower operation costs for this segment in 2026.

For the finance and asset management services segment, it will be disposed to independent third party on 20 March 2026.

The Directors would continue to review the existing businesses of the Group from time to time with a view to improve the business operation and financial position of the Group. The Board considers that it is beneficial for the Group to seek suitable investment and disposal opportunities with a view to increase the value of the Group and maximise returns to the Shareholders.

OTHER INFORMATION

Interests and Short Positions of Directors and Chief Executive in the Shares, Underlying Shares and Debentures of the Company and Any Associated Corporation

As at 31 December 2025, the interests or short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”), which were (a) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) required to be recorded in the register required to be kept under section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in the Shares and underlying Shares

(a) Ordinary shares of the Company

| Name of Director | Nature of interest/ Holding capacity | Number of ordinary shares held | Percentage of issued share capital of the Company (Note 1) |
|---------------------------|---|---|---|
| Mr. Wong Kwok Wai, Albert | Interest of a controlled corporation | 120,000,000 (L) (Note 2) | 24.44% |
| Mr. Leung King Yue, Alex | Beneficial owner | 10,100,000 (L) | 2.06% |
| Mr. Leung Tat Chi | Beneficial owner | 17,460,466 (L) | 3.56% |

(b) Share options of the Company

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

Notes:

- As at the date of this announcement, the Company's issued ordinary share capital was HK\$24,547,093 divided into 490,941,860 Shares of HK\$0.05 each.

2. Three Gates Investment Limited (“**Three Gates Investment**”), a company incorporated in the British Virgin Islands on 15 August 2016 is wholly and beneficially owned by Mr. Wong Kwok Wai, Albert (“**Mr. Wong**”), who is the chairman and an executive director of the Company. Therefore, Mr. Wong is deemed to be interested in 120,000,000 Shares held by Three Gates Investment by virtue of the SFO.

Except as disclosed above, as at 31 December 2025, none of the Directors or the chief executive of the Company had any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange according to rules 5.46 to 5.67 of the GEM Listing Rules.

Interests and Short Positions Of Substantial Shareholders in the Shares and Underlying Shares of the Company

To the best knowledge of the Directors, as at 31 December 2025, the following persons or corporations (other than the Directors and the chief executive of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which would be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Long position in the Shares and underlying Shares

| Name of Substantial Shareholder | Nature of interest/ Holding capacity | Number of ordinary shares held | Percentage of issued share capital of the Company (Note 1) |
|--|---|---|---|
| Three Gates Investment | Beneficial owner | 120,000,000 (Notes 2, 3) | 24.44% |
| Gold-Face Finance Limited | Person having a security interest in Shares | 80,000,000 (Notes 3, 4) | 16.30% |
| Upbest Credit and Mortgage Limited | Person having a security interest in Shares | 80,000,000 (Notes 3, 4) | 16.30% |
| Good Foundation Company Limited | Person having a security interest in Shares | 80,000,000 (Notes 3, 4) | 16.30% |

| Name of Substantial Shareholder | Nature of interest/ Holding capacity | Number of ordinary shares held | Percentage of issued share capital of the Company (Note 1) |
|--|---|---|---|
| Upbest Strategic Company Limited | Person having a security interest in Shares | 80,000,000 (Notes 3, 4) | 16.30% |
| Upbest Financial Holdings Limited | Person having a security interest in Shares | 80,000,000 (Notes 3, 4) | 16.30% |
| Upbest Group Limited | Person having a security interest in Shares | 80,000,000 (Notes 3, 4) | 16.30% |
| Fung Wing Cheung, Tony | Beneficial owner | 40,800,000 | 8.31% |

Notes:

1. As at the date of this announcement, the Company's issued ordinary share capital was HK\$24,547,093 divided into 490,941,860 Shares of HK\$0.05 each.
2. Three Gates Investment is wholly and beneficially owned by Mr. Wong, who is the chairman and an executive Director of the Company. Therefore, Mr. Wong is deemed to be interested in 120,000,000 Shares held by Three Gates Investment by virtue of his 100% shareholding interest in Three Gates Investment.
3. 80,000,000 Shares held by Three Gates Investment have been charged in favour of Gold-Face Finance Limited ("Gold-Face") as security for a loan granted in favour of Mr. Wong Kwok Wai, Albert, the chairman, chief executive officer, executive director and controlling shareholder of the Company.
4. As Gold-Face is wholly-owned by Upbest Credit and Mortgage Limited, which in turn is wholly-owned by Upbest Strategic Company Limited and Good Foundation Company Limited in equal parts, which in turn are both wholly-owned by Upbest Financial Holdings Limited, which in turn is wholly-owned by Upbest Group Limited, Upbest Credit and Mortgage Limited, Upbest Strategic Company Limited, Good Foundation Company Limited, Upbest Financial Holdings Limited and Upbest Group Limited are all deemed to be interested in the security interest in the 80,000,000 Shares charged in favour of Gold-Face by virtue of the SFO.

Except as disclosed above, as at 31 December 2025, the Directors are not aware of any interests and short positions owned by any other parties, other than a Director or the chief executive of the Company who held interests or short positions in the shares and the underlying shares of the Company, which were required to be recorded under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

Corporate Governance Practices

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

During the year ended 31 December 2025 and up to the date of this announcement, the Company complied with all the applicable code provisions contained in the Corporate Governance Code (“**CG Code**”) set out in Part 2 of Appendix C1 to the GEM Listing Rules then in force.

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

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

Model Code for Directors’ Securities Transactions

The Company has adopted the standard of dealings regarding securities transactions by the Directors equivalent to the required standard of dealings as set out in rules 5.48 to 5.67 of the GEM Listing Rules. The Directors have all confirmed, having been made specific enquiry by the Company, that they have complied with the required standard of dealings and the required standard concerning securities transactions by the Directors during the year ended 31 December 2025.

Purchase, Sale or Redemption of The Company’s Listed Securities

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2025 and up to the date of this announcement.

SHARE OPTION SCHEME

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

Movements of share options under the both share option schemes held by the Directors can be referred in the section headed “Share Options of the Company” in page 34 of this announcement.

Number of share option available

As at 1 January 2025 and 31 December 2025, the total number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company was 40,914,186 and 40,914,186, respectively.

As at 1 January 2025 and 31 December 2025, the sublimit on the total number of Shares which may be issued in respect of all Options to be granted to service providers under the Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company was 4,091,418 and 4,091,418, respectively.

As at the date of this announcement, the total number of shares available for issue under the Share Option Scheme was 40,914,186, representing 8.3% of the issued shares (excluding treasury shares) of the Company.

Directors’ and Controlling Shareholders’ Interests in Competing Businesses

The Directors and the controlling shareholders of the Company have confirmed that for the year ended 31 December 2025 and up to the date of this announcement, none of the Directors, controlling Shareholders or any of their respective close associates (as defined in the GEM Listing Rules) engaged in any businesses that compete or may compete with the business of the Group, or had any other conflict of interest with the Group.

On 24 November 2017, each of Mr. Wong Kwok Wai, Albert and Three Gates Investment, being the controlling Shareholders, entered into a non-competition undertaking in favour of the Company, details of which were set out in the section headed “Relationship with our Controlling Shareholders — Non-competition Undertaking” in the Prospectus. Such undertakings have been fully complied with and enforced during the year ended 31 December 2025 and up to the date of this announcement.

The Board confirms that as at the date of this announcement, no other matters are required to be brought to the attention of the Shareholders and the potential investors.

Further, the independent non-executive Directors confirm that they have reviewed the enforcement of such undertakings and conclude that there are no outstanding issues regarding the undertakings that need to be raised with the Shareholders and the Company.

Events after the year ended 31 December 2025

As disclosed in Note 13 in this announcement, the disposal of Hua Yu Investment Management Limited was completed on 20 March 2026.

Sufficiency of Public Float

The Directors confirm that during the year ended 31 December 2025 and up to the date of this announcement, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has complied with the minimum public float as required under the GEM Listing Rules.

Audit Committee

The Audit Committee was established pursuant to rules 5.28 to 5.33 of the GEM Listing Rules and code provision D.3.3 and D.3.7 of the CG Code. The Audit Committee is mainly responsible for reviewing financial information, overseeing the Company’s financial reporting system, risk management, internal control systems, maintaining the relationship with the Company’s auditors and reviewing terms of reference of the audit committee.

The Audit Committee consists of three independent non-executive Directors, namely, Mr. Huen, Felix Ting Cheung (the chairman), Mr. Tang Chun Hei and Ms. Yim Bui Lam. No member of the current Audit Committee is a member of the previous independent auditor of the Company. The Audit Committee has reviewed this announcement as well as the consolidated results of the Group for the year ended 31 December 2025.

Publication of Information on the Website of the Stock Exchange

This announcement will be published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.harbourequine.com). The annual report for the year ended 31 December 2025 containing all the information required by the GEM Listing Rules will be published on the respective websites of the Stock Exchange and the Company and despatched to the Shareholders in due course.

Scope of Work of Independent Auditor

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2025 and consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Group's independent auditors, Asian Alliance (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by Asian Alliance (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Asian Alliance (HK) CPA Limited on this preliminary announcement.

By order of the Board
HARBOUR EQUINE HOLDINGS LIMITED
Wong Kwok Wai, Albert
*Chairman, chief executive officer
and executive Director*

Hong Kong, 30 March 2026

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Wong Kwok Wai, Albert, Mr. Chan Yiu Tung, Enoch, Mr. Leung King Yue, Alex and Mr. Leung Tat Chi; one non-executive Director, namely, Ms. Ho Wing Shan; and three independent non-executive Directors, namely, Mr. Huen Felix Ting Cheung, Mr. Tang Chun Hei and Ms. Yim Bui Lam.

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