



CITYCHAMP

WATCH & JEWELLERY GROUP LIMITED

冠城鐘錶珠寶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 256



2025

INTERIM REPORT

中期報告

開拓創新 銳意進取

INNOVATION FOR EXCELLENCE

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

HON Kwok Lung BBS (*Chairman*)

SIU Chun Wa (*Chief Executive Officer*)

SHI Tao

HON Hau Wong

Teguh HALIM

Independent Non-Executive Directors

KWONG Chun Wai, Michael

KAM, Eddie Shing Cheuk

CHAN Lai Wa

AUDIT COMMITTEE

KAM, Eddie Shing Cheuk

(*Committee Chairman*)

KWONG Chun Wai, Michael

CHAN Lai Wa

REMUNERATION COMMITTEE

KAM, Eddie Shing Cheuk

(*Committee Chairman*)

HON Kwok Lung

SIU Chun Wa

KWONG Chun Wai, Michael

CHAN Lai Wa

NOMINATION COMMITTEE

HON Kwok Lung (*Committee Chairman*)

SIU Chun Wa

KWONG Chun Wai, Michael

KAM, Eddie Shing Cheuk

CHAN Lai Wa

RISK MANAGEMENT COMMITTEE

Teguh HALIM (*Committee Chairman*)

SIU Chun Wa

SHI Tao

CHIEF FINANCIAL OFFICER

HO Wai Man

COMPANY SECRETARY

HO Shuk Han

AUTHORISED REPRESENTATIVES

HON Kwok Lung

HO Shuk Han

AUDITOR

BDO Limited

Certified Public Accountants and

Registered Public Interest Entity Auditor

PRINCIPAL BANKS

Bank of China (Hong Kong) Limited

China CITIC Bank International Limited

Industrial Bank Co., Ltd. Hong Kong Branch

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

REGISTERED OFFICE

P.O. Box 309

Ugland House

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Cayman Islands

PRINCIPAL OFFICE

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STOCK CODE

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WEBSITES

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www.citychamppwj.com

MANAGEMENT DISCUSSION AND ANALYSIS

Our Strategy

The Group takes a long-term perspective in formulating our corporate strategy. We engage capital and people where we identify opportunities to generate returns which exceed our cost of capital over the long term and invest in the existing and new businesses. It is our intention to remain a conglomerate with different businesses capable of generating sustainable long-term growth.

Financial Highlights

Six months ended 30 June			
	2025 HK\$'000	2024 HK\$'000	Variation %
Total revenue	523,692	710,313	-26.3
Operating expenses	411,705	484,046	-14.9
Gross profit generated from non-banking and financial businesses	125,263	224,068	-44.1
Gross profit generated from banking and financial businesses	243,220	238,499	2.0
EBITDA	14,216	83,843	-83.0
(Loss)/profit before tax	(42,847)	13,192	N/A
(Net loss)/net profit after tax	(51,649)	3,708	N/A
(Loss)/earnings per share attributable to owners of the Company for the period			
– Basic	(HK 0.97 cent)	HK 0.16 cent	N/A
– Diluted	(HK 0.97 cent)	HK 0.16 cent	N/A
	30 June 2025 HK\$'000	31 December 2024 HK\$'000	Variation %
Total assets	20,088,793	17,963,825	11.8
Total liabilities	16,064,427	14,181,780	13.3
Total equity	4,024,366	3,782,045	6.4

Operating Results

For the six months ended 30 June 2025, the Group recorded total revenue of approximately HK\$523,692,000 (six months ended 30 June 2024: HK\$710,313,000), a decrease of HK\$186,621,000 or 26.3% over the corresponding period last year.

Operating expenses (including selling and distribution expenses and administrative expenses) for the six months ended 30 June 2025 were approximately HK\$411,705,000 (six months ended 30 June 2024: HK\$484,046,000), a decrease of HK\$72,341,000 or 14.9% over the corresponding period last year.

Gross profit generated from non-banking and financial businesses for the six months ended 30 June 2025 was approximately HK\$125,263,000 (six months ended 30 June 2024: HK\$224,068,000), a decrease of HK\$98,805,000 or 44.1% over the corresponding period last year.

Gross profit generated from banking and financial businesses for the six months ended 30 June 2025 was approximately HK\$243,220,000 (six months ended 30 June 2024: HK\$238,499,000), an increase of HK\$4,721,000 or 2.0% over the corresponding period last year.

EBITDA for the six months ended 30 June 2025 was approximately HK\$14,216,000 (six months ended 30 June 2024: HK\$83,843,000), a decrease of HK\$69,627,000 or 83.0% over the corresponding period last year.

Net loss after tax for the six months ended 30 June 2025 was approximately HK\$51,649,000 (six months ended 30 June 2024: net profit of HK\$3,708,000).

Notwithstanding the challenging environment, we have formulated a series of strategic measures to deal with the issues arose for each of the key business. The Group encompasses three principle activities – watches, timepieces and watch accessories businesses, banking and financial businesses, and various investment businesses.

Performance

During the first half of 2025, the Group's watch businesses experienced a decline in profitability due to adverse macroeconomic conditions. As consumers exhibit a preference for conservative consumption, discretionary expenditures decreased. This trend was compounded by intensified promotional campaigns by leading watch brands, heightened market competition, and a reduction in overall industrial traffic and brand exposure on e-commerce platforms, which further compressed profit margins within this segment. Operationally, the Group has implemented multiple measures to actively clear inventory backlogs and optimise organisational structure. However, product innovation and market expansion necessitates time, exerting a certain impact on overall profitability. The Group's banking business recorded modest growth, primarily attributable to the expansion of assets under management.

I. WATCHES, TIMEPIECES AND WATCH ACCESSORIES BUSINESSES

Six months ended 30 June 2025			
	Revenue (HK\$)	Net profit/(loss) after tax (HK\$)	Increase/ (Decrease) of Revenue as compared to the six months ended 30 June 2024 (%)
Zhuhai Rossini Watch Industry Limited	100,326,000	2,497,000	(32.4)
EBOHR Group	54,990,000	(23,271,000)	(40.8)
Ernest Borel Group	37,420,000	(12,427,000)	(6.6)
Corum, Eterna and The Dreyfuss Group	20,413,000	(27,177,000)	(80.1)
Other companies	58,380,000	(4,555,000)	(22.9)

Performance (Continued)

I.A LOCAL PROPRIETARY BRANDS – ZHUHAI ROSSINI WATCH INDUSTRY LIMITED (“ROSSINI”) AND EBOHR GROUP

EBOHR Group is composed of EB Brand Limited, EBOHR Luxuries International Limited and its subsidiaries (the “EBOHR Group”).

During the period, Rossini and EBOHR Group implemented the following strategic measures to strictly control costs and enhance market competitiveness.

i. *Optimizing inventory and accounts receivable management*

The overall inventory value of watches decreased as compared to the beginning of 2025, essentially achieving the inventory reduction target set at the beginning of the year and effectively improving the Company’s capital operation efficiency. Regarding accounts receivable, a variety of measures, including tiered collection and legal recovery, were implemented for overdue accounts, significantly reduced bad debt risk and strengthened the Company’s liquidity position.

ii. *Cost reduction and efficiency improvement measures*

(1) The Group adhered to a performance-oriented approach and implemented cross-brand integration in shrinking and loss-making markets. The Hunan, Guangxi and Hainan regions of Citychamp Watch were established to facilitate resource sharing and collaborative management across multiple brand sales channels. Based on the market size and consumption characteristics of each region, the management functions of headquarters of Rossini and EBOHR Group have been strengthened to improve agility and responsiveness to market changes. The Guangdong and Jiangxi markets have been integrated into centralized management at the headquarters, streamlining redundant layers and optimizing the organizational structure.

(2) To improve the operational efficiency of directly-operated stores and implement refined management in the first half of the year, the Group launched a five-tier management system for directly-operated stores nationwide and developed differentiated operational strategies to effectively promote store expansion and enhancement.

(3) Building upon the optimization of terminal market deployment, EBOHR Group and Rossini streamlined their functional divisions in response to business adjustments, further delineated roles and responsibilities in operational structures, identified and reduced redundant and inefficient positions, as well as ongoing refinement of organizational structures, and promoted multi-functional development among employees to adapt increasingly diverse market demands.

Performance (Continued)**I.A LOCAL PROPRIETARY BRANDS – ZHUHAI ROSSINI WATCH INDUSTRY LIMITED (“ROSSINI”) AND EBOHR GROUP (Continued)***iii. Strengthening the Group’s centralized control*

The Group maintains rigorous oversight of the operational performance metrics of each brand entity. A tripartite warning mechanism, comprising red, yellow, and blue alerts, has been established to strengthen process supervision and control. This allows teams to monitor performance deviations and target discrepancies in real time, enabling the management and teams to quickly adjust strategies to achieve operational goals.

iv. New product development and innovation

Smartwatches and other wearable devices, characterized by their multi-functionality, contemporary design, and user convenience, are continuously seizing market share from traditional watches. The Group’s subsidiaries have been proactively engaged in the development and production of smartwatches and collaborating with third-party technology enterprises. The development of smart products is currently progressing in an organized and methodical manner.

The Group has been actively expanding its cultural and creative product lines, transforming temporal elements into artisanal crafts such as table clocks, music boxes and disassembled and decorated movement pieces. These artisanal items are designed to enrich its tourism merchandise and brand promotional content. Meanwhile, the Group has been continuously innovating its product lines, launching wedding and business jewellery watch collections. These collections utilize precious metal inlays and enamelling techniques to imbue the products with distinctive emotional value, aiming to penetrate the affordable luxury watch or accessory markets.

In addition, all subsidiaries have strictly adhered to the Group’s new product development strategy of “precision, accuracy, speed and innovation” to ensure the successful rate of new product research and development. Notably, on the occasion of its 41st anniversary, Rossini launched 12 classic flagship models and 17 SKUs, emphasizing a classic business styles and infused with feminine elements. EBOHR Group, on the other hand, launched 14 flagship products and 26 SKUs, focusing on women’s fashion, men’s charisma and high-end gold watches, showcasing the brand’s diverse product portfolio.

Performance (Continued)**I.B FOREIGN PROPRIETARY BRAND – ERNEST BOREL GROUP**

The Group held 57.14% equity interest in Ernest Borel Holdings Limited (together with its subsidiaries, the “Ernest Borel Group”) as at 30 June 2025.

Optimizing inventory structure

Ernest Borel Group conducts precise, real-time inventory assessments prior to each production cycle to ensure accurate assessment of inventory levels. Procurement is undertaken exclusively upon confirmation of stock shortages and is governed by a stringent, cross-departmental approval process involving sales, procurement, inventory management and finance functions. This meticulous control framework effectively prevents duplicate ordering, thereby alleviates inventory pressures.

To further optimize inventory structure and enhance supply chain efficiency, Ernest Borel Group persists in executing the three strategic initiatives formulated in the preceding year: firstly, stabilizing sales and supply while reducing slow-moving and spare parts inventory; secondly, expediting the design and production of slow-moving products and implementing targeted promotional activities through overseas distribution networks and e-commerce platforms to facilitate inventory clearance; thirdly, fostering close collaboration between procurement and sales, leveraging real-time data to optimize allocations, achieving on-demand production and timely delivery, thereby optimizing cash flow, lowering costs and reducing inventory overhang.

Strengthening promotional activities

Ernest Borel Group has actively operated its official media platforms, including Weibo, WeChat, Xiaohongshu, Douyin and Kuaishou, and expands its international footprint through Facebook and Instagram. It ensures consistent content updates and fosters ongoing interaction with followers to enhance brand visibility and drive traffic. To stimulate consumption, multi-tiered watch purchase and gifting campaigns have been launched in its stores, offering exquisite gifts tailored to different consumption amount to effectively boost sales growth. Furthermore, during key festivals, Ernest Borel Group prepared standardized promotional materials in multiple sizes and promoted new and best-selling models of 2025 to stores and distributors nationwide, strengthening terminal marketing and providing solid sales support.

Performance (Continued)

I.B FOREIGN PROPRIETARY BRAND – ERNEST BOREL GROUP (Continued)

Developing collaborative channels

Looking ahead to 2025, Ernest Borel Group will focus on expanding into markets in Southeast Asia and North America to strengthen its global presence. In Singapore, efforts will be directed towards elevating duty-free sales performance and enhancing brand image. In Hong Kong and Macau, strategic initiatives include the introduction of regionally-tailored products, coupled with the optimization of distribution pathways and sales efficiencies. Ernest Borel Group also intends to establish strategic alliances with key distribution partners to augment brand visibility and facilitate entry into major e-commerce platforms and retail channels to ensure steady market expansion. Furthermore, Ernest Borel Group will actively seek collaborations with live-streaming platforms such as Douyin to broaden brand recognition and amplify sales operations, while deepening partnerships with authorized retailers and digital platforms to tap into new growth potentials.

I.C NON-PROPRIETARY BRANDS

Currently, the Group held four distribution companies. Collectively, distribution companies contributed revenue and net loss after tax for the six months ended 30 June 2025 of HK\$38,942,000 (six months ended 30 June 2024: HK\$54,669,000) and HK\$1,927,000 (six months ended 30 June 2024: HK\$1,717,000) respectively.

I.D OTHERS

Other non-major subsidiaries of the Group also engaged in other non-major categories of watches, timepieces and watch accessories businesses, which collectively contributed revenue and net loss after tax for the six months ended 30 June 2025 of HK\$19,438,000 (six months ended 30 June 2024: HK\$21,064,000) and HK\$2,628,000 (six months ended 30 June 2024: HK\$715,000) respectively.

Performance (Continued)**II.ABENDURA BANK AG**

Revenue of Bendura Bank AG ("Bendura Bank" or the "Bank") for the six months ended 30 June 2025 was HK\$243,220,000, increased by HK\$4,721,000 or 2.0% from HK\$238,499,000 for the same period last year. Net profit after tax attributable to owners of the Company for the six months ended 30 June 2025 was HK\$45,713,000, increased by HK\$320,000 or 0.7% from HK\$45,393,000 for the same period last year.

Net income from interest and dividends decreased by HK\$9,924,000 or 7.2% to HK\$128,789,000 for the first half of 2025, compared to HK\$138,713,000 for the same period last year. In addition to the anticipated interest rate cuts in the first half of 2025, the appreciation of the Swiss franc, and particularly the depreciation of the US dollar against the Swiss franc, was also one of significant factors contributing to the decline in net interest income.

Net commission and service fee income for the first half of 2025 increased due to the rise in Assets Under Management (AuM). Specifically, income rose by CHF0.4 million, or 4% year-on-year. However, this positive effect was partially offset by the weakness of the US dollar against the Swiss franc.

Income from trading amounted to HK\$20,941,000, increased significantly year-on-year by 59% or HK\$7,794,000. This growth was primarily driven by increased customer transactions in the foreign exchange business.

Operating expenses (personnel and general expenses) amounted to HK\$168,460,000 during the reporting period, 1.6% lower than HK\$171,198,000 for the same period last year. In the first half of 2025, both personnel and general expenses decreased compared to the previous period as a result of strict cost controls and staff reduction.

Owing to a sensational Net New Money (NNM) inflow of CHF573.4 million, AuM stood at approximately CHF3.9 billion at the end of June 2025 (representing a net increase of CHF0.4 billion compared to December 2024).

Performance (Continued)

II.A BENDURA BANK AG (Continued)

Total assets amounted to HK\$15,485,785,000, HK\$2,053,245,000 more than HK\$13,432,540,000 as at 31 December 2024. Amounts due from clients increased from HK\$2,660,982,000 in December 2024 to HK\$2,952,534,000 at half year 2025.

As of mid-2025, Bendura Bank had a Total Capital Ratio (TCR) of approximately 20.3%, remaining at a level that is above the industry average. At the end of June 2025, the Bank had a leverage ratio of 6.6%. Liquidity remains at a very high level, supported by substantial holdings of liquid assets, resulting in a Liquidity Coverage Ratio (LCR) of 487% on the date of balance sheet, well above the regulatory threshold.

In the first half of 2025, as part of the HORIZON strategy based on five pillars (powerful, excellent, focused, profitable and competitive) adopted in previous year, the board of directors of the Bank assigned the executive board to formulate a dedicated strategy for Asia. An in-depth analysis of the banking sectors in three selected countries, namely Indonesia, the Philippines, and Japan, was conducted. Subsequently, a range of market activities were carried out to examine business opportunities more thoroughly. Notably, in February 2025, the CEO and CFO of the Bank undertook an on-site visit to Jakarta, and introductions to potential intermediaries in the Philippines and Japan were respectively initiated.

In addition to the ongoing HORIZON strategy, the board of management of the Bank is making concerted efforts to expedite the digital transformation of internal processes for client onboarding. This enhancement aims to enable quicker account openings and improve transparency around the status of each account throughout the process.

To effectively monitor the risks Bendura Bank facing, a compliance flash report is issued monthly. This report presents key figures aligned with the Bank's risk appetite and highlights any deviations. It also includes a breakdown of customer risk distribution and details of due diligence-relevant hits and anomalies in relation to the Market Abuse Regulation requirements. The executive board of the Bank is thus able to comply with monitoring requirements and, if necessary, implement risk-mitigating measures. Moreover, to further improve the risk-return ratio, high-risk or increased-risk client onboardings are subjected to an additional profitability assessment.

Performance (Continued)**II.ABENDURA BANK AG (Continued)**

Bendura Wealth Management (Hong Kong) Limited (“BWML”), established in November 2023, continues its focus on providing wealth management solutions for High Net Worth Individuals and Ultra High Net Worth Individuals across Asia. BWML offers a range of products and services, including securities, advisory, discretionary asset management, Lombard lending, proprietary trading, and custody services in Singapore. This provides clients with enhanced geographical diversification across Hong Kong, Singapore, and Liechtenstein.

For the 22nd consecutive year, the Bank hosted a weekend-long of Snow Polo World Cup (the Polo Weekends) in Kitzbühel in January 2025, a historic team sport which brings together clients, partners, and colleagues for an exclusive and memorable experience. The Polo Weekend successfully created an authentic polo ambiance and strengthened relationships among attendees.

Looking forward, the board of the Bank believes that heterogeneous culture is both an asset and a critical success factor, and establishing leadership development across cultural boundaries is essential to the performance of the Bank. As a result, the Bank conducted a leadership training workshop with the project team, during which a leadership vision was articulated: “Empowered by culture; United in purpose; To go beyond horizons”. All managers are invited to a training session to be held in October 2025 at the Hotel Hof Weissbad in Appenzell, Switzerland.

The Bank will dedicate each year up to 2030 to focus on different core values. In 2025, the focus is on team empowerment: encouraging mutual support, sharing the spotlight, and fostering individual growth, all while emphasizing that success is achieved through teamwork, not as individuals.

Performance (Continued)

III.A LISTED EQUITY INVESTMENT

Citychamp Dartong Advanced Materials Co., Ltd

As at 30 June 2025, financial assets at fair value through other comprehensive income of the Group was HK\$220,486,000. HK\$29,879,000 was related to the listed equity investment in the equity share of Citychamp Dartong Advanced Materials Co., Ltd ("Citychamp Dartong"). Citychamp Dartong is a company listed on the Shanghai Stock Exchange (Stock code: 600067) and is mainly engaged in real estate, electromagnetic wire and new energy, and other businesses. As at 30 June 2025, the Group owned 9,154,370 shares of Citychamp Dartong at the market price of RMB2.98 per share (equivalent to HK\$3.26 per share) with the fair value of HK\$29,879,000. The shares held by the Group accounted for 0.66% of the total issued share capital of Citychamp Dartong as at 30 June 2025. Such fair value accounted for 0.15% of the Group's total assets.

The Group incurred a net gain on fair value change through other comprehensive income in investment in Citychamp Dartong of HK\$4,066,000 for the six months ended 30 June 2025, as a result of increase in the share price of Citychamp Dartong from RMB2.65 (equivalent to HK\$2.82) as at 31 December 2024 to RMB2.98 (equivalent to HK\$3.26) as at 30 June 2025. For the six months ended 30 June 2025, there was no dividend income from Citychamp Dartong.

Min Xin Holdings Limited

Investment in Min Xin Holdings Limited ("Min Xin") (Stock code: 222) was measured at fair value through other comprehensive income. The Company intends to hold the investment on a long-term basis.

Min Xin is a company engaged in financial services, insurance, property investment and strategic investment. As at 30 June 2025, the investment in Min Xin was HK\$185,115,000, i.e. 88,150,000 shares at the market price of HK\$2.1 per share as at 30 June 2025. Such fair value of the investment accounted for 0.92% of the Group's total assets. The shares held by the Company accounted for 14.76% of the total issued share capital of Min Xin as at 30 June 2025.

The Group incurred a net loss on fair value change in Min Xin's investment of HK\$17,630,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: net loss of HK\$74,928,000), as a result of decrease in the share price of Min Xin from HK\$2.30 as at 31 December 2024 to HK\$2.10 as at 30 June 2025. For the six months ended 30 June 2025, there was no dividend income from Min Xin.

Besides, the Group also held 7,020,000 shares of Min Xin as at 30 June 2025, which is classified as trading portfolio investments.

Performance (Continued)

III.B PROPERTY INVESTMENT

The property in Mainland China and Hong Kong owned by the Group have been leased out, with stable rental returns to the Group. During the period, these investment properties generated rental income of HK\$8,943,000 (six months ended 30 June 2024: HK\$11,992,000). Net profit after tax from the property investment business for the six months ended 30 June 2025 was HK\$7,692,000 (six months ended 30 June 2024: HK\$11,729,000).

Financial Position

(1) LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2025, the Group had non-pledged cash and bank balances of approximately HK\$1,094,118,000 (31 December 2024: HK\$3,724,213,000). Based on the borrowings of HK\$534,350,000 (31 December 2024: HK\$595,082,000), due to a shareholder of HK\$800,000 (31 December 2024: HK\$0), due to directors of HK\$75,155,000 (31 December 2024: HK\$73,731,000), due to a related company of HK\$119,213,000 (31 December 2024: HK\$125,413,000), due to an associate of HK\$38,252,000 (31 December 2024: HK\$37,243,000) and shareholders' equity of HK\$4,024,366,000 (31 December 2024: HK\$3,782,045,000), the Group's gearing ratio (being borrowings plus due to a shareholder plus due to directors plus due to a related company and due to an associate divided by shareholders' equity) was 19.1% (31 December 2024: 22.0%).

(2) CHARGE ON ASSETS

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

- (a) corporate guarantee provided by certain subsidiaries within the Group;
- (b) equity interest of certain subsidiaries within the Group; and
- (c) a legal charge over the Group's non-banking and financial businesses' land and buildings with the carrying amount of HK\$236,129,000 (31 December 2024: HK\$237,000,000).

Financial Position (Continued)**(3) CAPITAL COMMITMENT**

As at 30 June 2025, capital commitments were approximately HK\$270,000,000 in total (31 December 2024: HK\$270,000,000) for investment in an associate – Citychamp Allied International Limited.

Except for the above, the Group had no other material capital commitments as at 30 June 2025.

Financial Review**(1) TOTAL ASSETS**

Total assets increased to HK\$20,088,793,000 as at 30 June 2025 from HK\$17,963,825,000 as at 31 December 2024.

Cash and deposits

	30 June 2025 HK\$'000	31 December 2024 HK\$'000	Increase/ (decrease) Amount HK\$'000	%
Cash and bank balance	51,468	66,336	(14,868)	-22.4
Cash held on behalf of clients	46,411	57,917	(11,506)	-19.9
Sight deposits with central banks	1,042,650	3,657,877	(2,615,227)	-71.5

Due from banks

	30 June 2025 HK\$'000	31 December 2024 HK\$'000	Increase/ (decrease) Amount HK\$'000	%
Due from banks on a daily basis	5,820,401	2,696,501	3,123,900	115.9
Due from banks other claims	66,355	56,341	10,014	17.8
Due from banks – precious metal	259,632	192,782	66,850	34.7
Valuation adjustments	(818)	(354)	(464)	-131.1

Financial Review (Continued)**(2) INVESTMENTS**

The investment as at 30 June 2025 included (a) trading portfolio investments of HK\$35,426,000; (b) derivative financial assets of HK\$923,000; (c) other financial assets at amortised cost of HK\$4,670,112,000; and (d) other financial assets at fair value through other comprehensive income of HK\$220,486,000 (the “Investments”).

(a) Trading portfolio investments of HK\$35,426,000

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Equity Instruments		
Listed equity instruments in Hong Kong at market value	15,133	15,435
Listed equity instruments outside Hong Kong at market value	210	204
Total equity instruments	15,343	15,639
Debt instruments		
Unlisted debt instruments of financial institutions	250	4,439
Investment fund units		
Unlisted investment fund units	19,833	19,486
Total trading portfolio investments	35,426	39,564

It is the objective of the Group to maintain certain level of liquidity in the form of trading portfolio investments for unplanned capital expenditure. The liquidity is usually parked with the listed equities in order to generate short term return.

As at 30 June 2025, there were HK\$15,133,000 invested in a variety of listed equities in Hong Kong.

Financial Review (Continued)

(2) INVESTMENTS (Continued)

(a) Trading portfolio investments of HK\$35,426,000 (Continued)

The debt instruments of HK\$250,000 invested in the Mainland China by PRC company.

Trading assets of CHF0.9 million (equivalent to HK\$8,894,000) represents the single investment by Bendura Bank in the form of an unlisted investment fund. Bendura Bank acquired above trading assets from a professional counterparty in March 2019. The investment policy of Bendura Bank AG includes strict implementation of the investment process and is subject to constant review by the investment committee.

(b) Derivative financial assets of HK\$923,000

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Forward and option contracts	923	33,061

In the derivative financial assets of HK\$923,000, there were forward and option contracts conducted by Bendura Bank.

Bendura Bank offers derivative products including currency forwards and swaps to its clients. These derivative positions were managed through entering back-to-back deals with external parties to ensure that remaining exposures are within acceptable risk levels. First-rate banks serve as counterparties, as is generally the case in trading business. It is not the objective of Bendura Bank to speculate the gain on the change in the price by conducting forward and option contracts without having invested in the underlying assets.

Financial Review (Continued)**(2) INVESTMENTS (Continued)***(c) Other financial assets at amortised cost of HK\$4,670,112,000*

	30 June 2025	31 December 2024
	HK\$'000	HK\$'000
Listed debt instruments, at amortised cost		
Issued by:		
Governments and public sector	3,715,433	2,519,712
Financial institutions	528,323	542,825
Corporations	426,356	449,292
	4,670,112	3,511,829

As at 30 June 2025, Bendura Bank invested in listed debt instruments issued by government and public sector, financial institutions and corporations amounting to HK\$4,670,112,000. The portfolio was composed of 60 listed debt instruments with different maturity, geography, segment and currency and hence, diversification is ensured. Almost all listed debt instruments were considered upper-medium grade and are subject to low credit risk. The average remaining term of the held-to-maturity investment is 2.4 years, while the modified duration of the portfolio is only 0.44%. Largest single investments are bonds issued by Treasury Bills matured in September 2025 (CHF126 million) and July 2025 (CHF71 million). Both issuers are F1 + rated respectively. Risk concentration is analyzed and presented to the senior management on a monthly basis.

Financial Review (Continued)**(2) INVESTMENTS (Continued)***(c) Other financial assets at amortised cost of HK\$4,670,112,000 (Continued)*

Relatively major listed debt instruments as at 30 June 2025 are as follows:

Issuer	Nature of interest rate	Sector	Maturity date	Value (CHF'000)
Euro Stability Mechanism	Fixed	General governments	05 September 2028	6,580
DBS Bank Ltd	Fixed	Financial corporations	26 October 2026	7,934
Euro Stability Mechanism	Fixed	General governments	23 September 2025	12,116
Treasury Bill	Zero	General governments	04 September 2025	19,681
Efsf	Fixed	General governments	15 December 2025	29,820
Treasury Bill	Zero	General governments	08 July 2025	39,631
Treasury Bill	Zero	General governments	17 July 2025	71,260
Treasury Bill	Zero	General governments	03 July 2025	71,377
Treasury Bill	Zero	General governments	23 September 2025	125,681
Others				89,702
Total				473,782
HKD Equivalent to (in '000)				4,670,112

Collectively, listed debt instruments at amortised cost accounted for 23.2% of the Group's total assets.

As at 31 December 2024, Bendura Bank invested in listed debt instruments issued by government and public sector, financial institutions and corporations amounting to HK\$3,511,829,000. The portfolio was composed of 69 listed debt instruments with different maturity, geography, segment and currency and hence, diversification is ensured. Almost all listed debt instruments were considered upper-medium grade and are subject to low credit risk. The average remaining term of the held-to-maturity investment is 1.88 years. Largest single investments are bond issued by US Treasury Bill matured in March 2025 (CHF140 million) and US Treasury Bill matured in January 2025 (CHF45 million). Both are triple-A issuers. Risk concentration is analysed and presented to the senior management on a monthly basis.

Financial Review (Continued)**(2) INVESTMENTS (Continued)***(c) Other financial assets at amortised cost of HK\$4,670,112,000 (Continued)*

Relatively major listed debt instruments as at 31 December 2024 are as follows:

Issuer	Nature of interest rate	Sector	Maturity date	Value (CHF'000)
Henkel Ag & Co KgaA	Fixed	Non-financial corporations	17 November 2026	6,838
Amazon.com Inc	Fixed	Non-financial corporations	12 May 2026	6,948
DBS Bank Ltd	Fixed	Financial corporations	26 October 2026	8,607
Efsf	Fixed	General governments	17 February 2025	12,183
Treasury Bill	Zero	General governments	20 February 2025	13,539
Efsf	Fixed	General governments	15 December 2025	29,845
Treasury Bill	Zero	General governments	25 March 2025	44,960
Treasury Bill	Zero	General governments	16 January 2025	45,316
Treasury Bill	Zero	General governments	18 March 2025	140,399
Others				100,621
Total				409,256
HKD Equivalent to (in '000)				3,511,829

(d) Other financial assets at fair value through other comprehensive income of HK\$220,486,000

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Listed equity instruments in Hong Kong	185,115	202,745
Listed equity instruments outside Hong Kong	29,879	25,812
Unlisted equity investment	5,492	5,336
	220,486	233,893

Listed equity instruments of HK\$29,879,000 related to investment in Citychamp Dartong and HK\$185,115,000 related to investment in Min Xin. Details of investments in Citychamp Dartong and Min Xin are set out on division III.A of this management discussion and analysis.

Financial Review (Continued)**(3) TOTAL LIABILITIES**

Total liabilities increased to HK\$16,064,427,000 as at 30 June 2025 from HK\$14,181,780,000 as at 31 December 2024, mainly attributable to increase in due to clients.

Due to clients

	30 June 2025 HK\$'000	31 December 2024 HK\$'000	Increase/ (decrease) Amount HK\$'000	%
Due to clients – precious metals	259,308	193,069	66,239	34.3
Other amounts due to clients, mainly bank deposits	14,014,828	12,140,101	1,874,727	15.4

(4) GROSS PROFIT FROM NON-BANKING AND FINANCIAL BUSINESSES

Gross profit from non-banking and financial businesses was HK\$125,263,000, a decrease of HK\$98,805,000 or 44.1%.

(5) EBITDA

EBITDA was HK\$14,216,000, a decrease of HK\$69,627,000 or 83.0%.

(6) SELLING AND DISTRIBUTION EXPENSES

Total selling and distribution expenses was HK\$109,386,000, a decrease of HK\$44,460,000 or 28.9%.

(7) ADMINISTRATIVE EXPENSES

Total administrative expenses was HK\$302,319,000, an decrease of HK\$27,881,000 or 8.4%.

Financial Review (Continued)**(8) SHARE OF PROFIT OF ASSOCIATES**

The share of profit of Fair Future Industrial Limited and its subsidiaries ("Fair Future"), a 25% owned associate of the Group, was HK\$4,147,000 (six months ended 30 June 2024: HK\$5,655,000). Fair Future is one of the leading OEM quartz watch manufacturers in Mainland China.

(9) FINANCE COSTS FROM NON-BANKING BUSINESS

Finance costs from non-banking business was HK\$21,782,000, representing a decrease of HK\$263,000 or 1.2%. It was composed of the interest charged on bank borrowings, bank overdrafts and lease liabilities.

(10) NET LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

Net loss attributable to owners of the Company was HK\$42,045,000 (six months ended 30 June 2024: net profit of HK\$7,024,000).

(11) INVENTORIES

Inventories was HK\$1,542,781,000, an increase of 1.9% from HK\$1,513,833,000 as at 31 December 2024.

(12) EVENTS AFTER REPORTING PERIOD

As of the date of this result, the Group has no significant events after the reporting period required to be disclosed.

Corporate Governance

The board of directors (“Board”) and management team are dedicated to maintaining and enhancing high standards of corporate governance. Effective governance extends beyond mere compliance with regulatory codes; it is an essential part of our strategic approach to sustainable growth. To this end, we cultivate a vibrant corporate culture centered around ethical conduct, transparency, and responsible decision-making. We emphasize the importance of internal controls, sound policies, and a comprehensive risk management framework to safeguard the interests of our stakeholders. By leveraging internal talent and external professional advisors, the Group has established a robust governance structure designed to adapt to evolving business environments.

Environmental, Social, and Governance (ESG)

ESG is integral to our responsible and sustainable business practices. As a conscientious corporate citizen, we are attentive to environmental impact and stay ahead of the changing regulatory landscape. We are committed to promoting energy efficiency to ensure compliance with evolving ESG disclosure standards. The 2024 ESG report has been prepared in accordance with the new climate-disclosure standards mandated by the Stock Exchange of Hong Kong Limited, which are set to take effect in 2025. We believe that with ongoing experience and deeper insights, future reports will provide a more comprehensive and transparent account of our ESG initiatives, performance, and impact.

Risk Management

Risk management is a key priority for the Group’s governance and operational framework. The Risk Management Committee convenes meeting regularly to review existing risks, identify emerging threats, and develop comprehensive strategies to mitigate potential impacts. Our risk management approach includes establishing internal control systems, conducting scenario analyses, and performing stress testing to evaluate the resilience of our operations under various conditions. In our banking operations, we ensure the segregation of functions among monitoring units to promote independent oversight and facilitate effective communication of findings to senior management. These ongoing efforts help us proactively identify vulnerabilities, implement timely corrective actions, and safeguard the interests of the Group and its shareholders.

Outlook

The year 2025 marks the culmination of China's 14th Five-Year Plan, and the economic performance of China continues to attract substantial global attention. Throughout the first half of the year, China effectively implemented a series of proactive macroeconomic policies, resulting in a stable and overall growth trajectory with positive momentum. According to official economic data, China's Gross Domestic Product (GDP) grew by 5.4% year-on-year in the first quarter, followed by a 5.2% increase in the second quarter.

The International Monetary Fund (IMF) has markedly revised upward its forecast for China's GDP growth in 2025, from 4.0% in April to 4.8%, representing a 0.8 percentage point increase—the highest among major economies. The forecast for 2026 has also been elevated to 4.2%, reflecting the unexpected performance in the first half of the year. The IMF attributes that China's resilient growth is predominantly driven by robust export performance, with the depreciation of the Renminbi bolstering export competitiveness. Furthermore, export expansion to global markets has been sufficient to offset declines in exports to the United States, thereby exemplifying China's flexibility in economic restructuring and the successful implementation of diversification strategies. Additionally, prudent fiscal measures by the Central Government have played an vital role in supporting domestic consumption.

Despite these positive developments, downside risks persist and continue to shape the economic outlook for 2025. Escalation of conflicts in the Middle East or Ukraine could significantly disrupt global supply chains and exert upward pressure on energy and raw material prices. Concurrently, fiscal deficits and financial vulnerabilities in several advanced economies—most notably the United States—pose systemic risks. Should market confidence in the long-term sustainability of their fiscal positions diminishes, it could lead to a contraction in capital flows and a rise in financing costs, thereby intensifying volatility within international financial markets.

Looking forward, as China persistently advances its policies to stimulate domestic consumption and steadily rebuild market confidence, it is expected that consumer demand will experience a notable increase. This amplified demand is poised to serve as a key driver in the overall revitalization and sustained recovery of the consumer market.

The external trade environment also exerts significant influence over currency exchange rates. For example, on August 1, 2025, following the announcement that the United States would impose a 39% tariff on imports from Switzerland, the Swiss franc weakened against the US dollar. Such volatility is likely to impact financial markets and banking operations to some extent. Overall market projections indicate that US interest rates are expected to decline further in the second half of 2025. In response, Bendura Bank will actively pursue the expansion of its strategic footprints within Asia, seek new business opportunities, and implement diversified asset management approaches to mitigate the adverse effects of declining interest rates.

Employees and Remuneration Policy

Our sustained success would not be possible without the high levels of expertise, professionalism and commitment shown by our employees. As at 30 June 2025, the Group had approximately 1,800 full-time staff in Hong Kong and Mainland China and approximately 200 in Europe. The remuneration packages offered to the employees are determined and reviewed on an arm's length basis with reference to the market conditions and individual performance. The Group also provides other benefits to its employees, including year-end double pay, medical insurance and retirement benefits, and incentive bonuses are offered with reference to the Group's operating results and employee's individual performance. All employees of the Group in Hong Kong have joined the mandatory provident fund schemes. Employees of Group's subsidiaries in Mainland China also participate in social insurance scheme administrated and operated by local authorities and contributions are made according to the local laws and regulations.

Interim Dividend

The Board has resolved not to distribute interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2025, the interests or short positions of the Directors and chief executive in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares (Continued)

(1) LONG POSITIONS IN SHARES OF THE COMPANY

As at 30 June 2025, certain Directors and the chief executive of the Company held long positions in the shares of the Company as follows:

Name of director	Number of shares held				
	Beneficial owner	Corporate interests	Family interests	Total interests	Percentage of shareholding
Hon Kwok Lung	3,500,000	2,756,263,515 ⁽¹⁾	1,374,000 ⁽²⁾	2,761,137,515	63.45%
Shi Tao	100,000	–	–	100,000	0.00%
Hon Hau Wong	1,750,000	–	200,000,000 ⁽³⁾	201,750,000	4.64%
Teguh Halim	3,000,000	–	3,000,000 ⁽⁴⁾	6,000,000	0.14%

Notes:

The percentage of shareholding is calculated on the basis of the Company's issued share capital of 4,351,888,206 shares as at 30 June 2025.

1. The 2,756,263,515 shares comprise of 1,365,226,000 shares held by Full Day Limited ("Full Day"), which is wholly-owned by Mr. Hon Kwok Lung and 1,391,037,515 shares held by Sincere View International Limited ("Sincere View"), which is owned as to 80% by Mr. Hon Kwok Lung and 20% by his spouse.
2. 1,374,000 shares were held by Ms. Lam Suk Ying, spouse of Mr. Hon Kwok Lung.
3. Mr. Hon Hau Wong is deemed to have an interest in 200,000,000 shares which were held by Qiangda Limited, a wholly-owned subsidiary of Fengrong Investment (Hong Kong) Company Limited, which is wholly-owned by Fujian Fengrong Investment Company Limited ("Fujian Fengrong") which is owned as to approximately 31.5% by Ms. Lu Xiaojun, spouse of Mr. Hon Hau Wong.
4. 3,000,000 shares were held by Mr. Teguh Halim's wife.

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares (Continued)

(2) LONG POSITION IN SHARES OF THE ASSOCIATED CORPORATIONS OF THE COMPANY

Name of director	Name of associated corporation	Nature of interest	Percentage of shareholding
Hon Hau Wong	Zhuhai Rossini Watch Industry Limited ⁽¹⁾	Family Interest ⁽²⁾	9%

Notes:

1. Zhuhai Rossini Watch Industry Limited ("Rossini") is owned as to 91% indirectly by the Company and 9% by Fujian Fengrong. Rossini is an associated corporation of the Company within the meaning of Part XV of the SFO.
2. The interest in Rossini was held by Fujian Fengrong, which is owned as to approximately 31.5% by Ms. Lu Xiaojun. Ms. Lu Xiaojun is daughter-in-law of Mr. Hon Kwok Lung, an Executive Director. Mr. Hon Hau Wong, being an Executive Director and the husband of Ms. Lu Xiaojun, is also deemed to be interested in the 31.5% interest in Fujian Fengrong.

Save as disclosed above, as at 30 June 2025, no other person had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests in Shares and Underlying Shares

As at 30 June 2025, the following persons hold interests of 5% or more of the issued share capital of the Company, as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name of substantial shareholder	Nature of Interest	No. of shares held	Approximate percentage of shareholding ⁽¹⁾
Sincere View International Limited	Beneficial owner	1,391,037,515	31.96%
Full Day Limited	Beneficial owner	1,365,226,000	31.37%
Hon Kwok Lung ⁽²⁾	Corporate interest, beneficial owner and family interest	2,761,137,515	63.45%
Lam Suk Ying ⁽²⁾	Beneficial owner and family interest	2,761,137,515	63.45%
Barclays PLC ⁽³⁾	Corporate interest	384,166,000 (L) 9,862,000 (S)	8.83% (L) 0.23% (S)

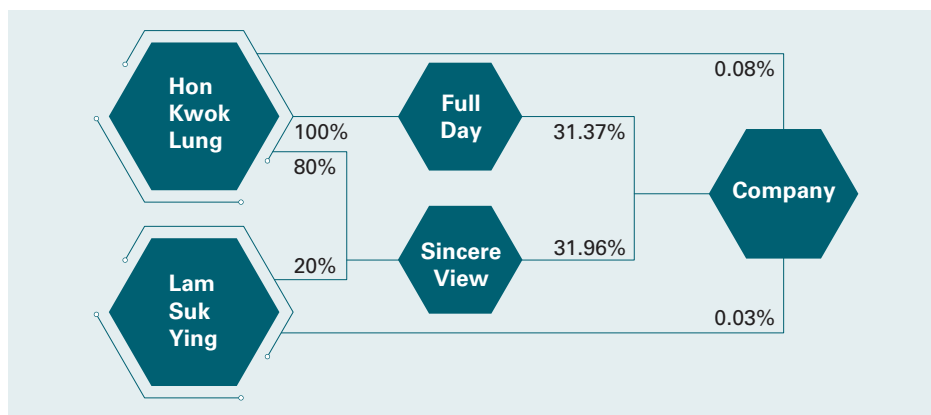
(L): Long position

(S): Short position

Substantial Shareholders' Interests in Shares and Underlying Shares (Continued)

Notes:

1. The approximate percentage of shareholding is calculated on the basis of the Company's issued share capital of 4,351,888,206 shares as at 30 June 2025.
2. Mr. Hon Kwok Lung and Ms. Lam Suk Ying, his spouse, are deemed to have an interest in the same parcel of 2,761,137,515 shares, which comprise 1,391,037,515 shares held by Sincere View, 1,365,226,000 shares held by Full Day, 3,500,000 shares held by Mr. Hon Kwok Lung and 1,374,000 shares are held by Ms. Lam Suk Ying. The shareholding structure was summarised in the following chart:



3. Barclays Capital Securities Limited ("BCSL") holds long position in 381,300,000 Shares and short position in 6,996,000 Shares; Barclays Capital Inc. ("BCI") holds long position in 1,700,000 Shares and short position in 1,700,000 Shares; Barclays Bank PLC ("BBPLC") holds long position in 8,242,000 Shares and short position in 8,242,000 Shares. BBPLC's long position in 7,076,000 Shares and short position in 7,076,000 Shares, and BCSL's long position in 200,000 Shares and short position in 6,876,000 Shares pertain to an intragroup hedge between BBPLC and BCSL and were not double counted at Barclays PLC's ("BPLC") level. As BCSL, BCI and BBPLC are all 100%-controlled by BPLC, BPLC is deemed to be interested in the long and short positions in the Shares held by BCSL, BCI and BBPLC (without double counting the aforementioned intragroup hedge).

Save as disclosed above, as at 30 June 2025, no other person, other than the Directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above, had registered an interest or short position in the shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Corporate Governance Code

During the six months period ended 30 June 2025, the Company has complied with the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Listing Rules, except with the details disclosed below:

- **CG CODE F.2.2**

CG Code F.2.2 stipulates that the chairman of the board should attend the annual general meeting. The chairman of the board did not attend the annual general meeting of the Company held on 29 May 2025 due to other business engagement.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as the Company’s code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry of the Directors, the Directors have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2025.

Disclosure of Directors’ Information Pursuant to Rule 13.51B(1) of the Listing Rules

Change in the biographical details of the directors of the Company since the publication of the 2024 annual report is set out below:

- Mr. Kam, Eddie Shing Cheuk is an independent director of Happy City Holdings Limited, a company listed on NASDAQ under Symbol: HCHL on 24 June 2025.

Board Committees

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) currently comprises following members:

Independent Non-executive Directors

Kam, Eddie Shing Cheuk (*Committee Chairman*)

Kwong Chun Wai, Michael

Chan Lai Wa

During the reporting period, the Audit Committee met with the Company’s external auditor, the Board and senior management. The Audit Committee reviewed the financial reporting and other information to Shareholders (including a review of the unaudited financial statements for the six months ended 30 June 2025), the works done by internal audit for the reporting period and performed other duties set out in the terms of reference. The Audit Committee also discussed internal controls and financial reporting matters with the Board and senior management.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the “Remuneration Committee”) currently comprises following members:

Independent Non-executive Directors

Kam, Eddie Shing Cheuk

(*Committee Chairman*)

Kwong Chun Wai, Michael

Chan Lai Wa

Executive Directors

Hon Kwok Lung

Siu Chun Wa

During the reporting period, the Remuneration Committee determined the policy for the remuneration of executive directors, assessed performance of executive directors and approved the terms of executive directors’ service contracts. The Remuneration Committee ensures that no Director or any of his/her associates is involved in deciding his/her own remuneration.

Board Committees (Continued)

NOMINATION COMMITTEE

The nomination committee of the Company (the “Nomination Committee”) currently comprises following members:

Executive Directors

Hon Kwok Lung (*Committee Chairman*)
Siu Chun Wa

Independent Non-executive Directors

Kwong Chun Wai, Michael
Kam, Eddie Shing Cheuk
Chan Lai Wa

During the reporting period, in selecting and recommending candidates for directorship to the Board to fill the vacancy arising from the passing away of Mr. Zhang Bin, the Nomination Committee gave due consideration to the factors including but not limited to: diversity (including but not limited to gender, age, cultural and educational background), accomplishment and experience in the relevant industries in which the Company’s business is involved, number of directorships the candidate holds in listed companies, commitment in respect of available time and relevant interest; etc. With the referral from existing director of the Company, the Nomination Committee held a meeting to approve the recommendation to the Board for appointment of Ms. Chan Lai Wa as an independent non-executive director of the Company to fill a casual vacancy on the Board. The Nomination Committee also assessed the independence of the then Independent Non-executive Directors and made recommendations to the Board on the re-election of Directors at 2025 Annual General Meeting.

RISK MANAGEMENT COMMITTEE

The risk management committee of the Company (the “Risk Management Committee”) currently comprises following members:

Executive Directors

Teguh Halim (*Committee Chairman*)
Siu Chun Wa
Shi Tao

During the reporting period, the Risk Management Committee has reviewed liquidity risk, operational risk, interest rate risk, exchange rate risk, inventory risk, etc. and discussed measures to mitigate these risks.

Purchase, Sale or Redemption of Listed Securities of the Company

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any Company's listed securities (whether on the Stock Exchange or otherwise).

Review of Financial Statements

The Audit Committee has reviewed the Group's unaudited financial statements for the six months ended 30 June 2025. Based on this review and discussions with the management, the Audit Committee was satisfied that the unaudited financial statements for the six months ended 30 June 2025 were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the six months ended 30 June 2025.

Appreciation

Our financial performance and strategic moves reflected the joint efforts of the Board and management in successfully pursuing our mission. Our performance could not have achieved without the leadership of the Board and our management team. I would like to express my deep gratitude to our employees, customers, suppliers, bankers, professional consultants, business partners, and Shareholders for their support.

Hon Kwok Lung

Chairman

Hong Kong, 28 August 2025

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Interest income from banking business		230,155	237,869
Interest expenses from banking business		(102,488)	(99,633)
Net interest income from banking business	6a	127,667	138,236
Service fees and commission income from banking business		107,831	101,584
Service fees and commission expenses from banking business		(14,365)	(14,647)
Net service fees and commission income from banking business	6b	93,466	86,937
Trading income from banking business	6c	20,941	13,147
Service fees and commission income from financial business	6d	24	(298)
Interest income from financial business	6d	1,122	477
Sales of goods from non-banking and financial businesses	6e	271,529	459,822
Rental income from non-banking and financial businesses	6e	8,943	11,992
Total revenue		523,692	710,313
Cost of sales from non-banking and financial businesses		(155,209)	(247,746)
Other ordinary income and other net gains or losses	7	18,010	51,061
Selling and distribution expenses		(109,386)	(153,846)
Administrative expenses		(302,319)	(330,200)
Share of profit of associates		4,147	5,655
Finance costs from non-banking and financial businesses	8	(21,782)	(22,045)
(Loss)/profit before income tax	9	(42,847)	13,192
Income tax expense	10	(8,802)	(9,484)
(Loss)/profit for the period		(51,649)	3,708

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
– Change in fair value of financial assets at fair value through other comprehensive income	15	(13,564)	(83,058)
– Remeasurement of net defined benefit obligation		2,863	(16,858)
		(10,701)	(99,916)
Item that may be subsequently reclassified to profit or loss			
– Exchange differences on translation to presentation currency		302,386	(246,905)
		302,386	(246,905)
Other comprehensive income for the period		291,685	(346,821)
Total comprehensive income for the period		240,036	(343,113)
(Loss)/profit for the period attributable to:			
Owners of the Company		(42,045)	7,024
Non-controlling interests		(9,604)	(3,316)
		(51,649)	3,708
Total comprehensive income for the period attributable to:			
Owners of the Company		244,196	(338,116)
Non-controlling interests		(4,160)	(4,997)
		240,036	(343,113)
(Loss)/earnings per share attributable to owners of the Company for the period			
– Basic	12	(HK0.97 cent)	HK0.16 cent
– Diluted		(HK0.97 cent)	HK0.16 cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Assets			
Cash and deposits		1,140,529	3,782,130
Due from clients	13	2,942,445	2,659,182
Due from banks	13	6,145,570	2,945,270
Trading portfolio investments	14	35,426	39,564
Financial assets at fair value through other comprehensive income	15	220,486	233,893
Financial assets at fair value through profit or loss		13,091	24,718
Derivative financial assets	16	923	33,061
Trade receivables	17	368,224	372,111
Other financial assets at amortised cost	18	4,670,112	3,511,829
Inventories	19	1,542,781	1,513,833
Interests in joint ventures		496	496
Interests in associates		90,863	86,716
Property, plant and equipment	20	1,246,906	1,238,319
Investment properties	21	163,541	160,298
Intangible assets	22	81,862	79,620
Goodwill	23	1,061,886	973,406
Deferred tax assets		15,467	14,439
Other assets		348,185	294,940
Total assets		20,088,793	17,963,825

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Liabilities			
Due to banks		–	18,393
Due to clients		14,274,136	12,333,170
Derivative financial liabilities	16	5,019	2,497
Trade payables	24	171,435	190,121
Contract liabilities		7,392	8,219
Income tax payables		59,458	52,037
Borrowings	25	534,350	595,082
Provisions		1,120	2,686
Lease liabilities		63,375	72,365
Deferred tax liabilities		66,322	65,010
Due to directors		75,155	73,731
Other liabilities		806,665	768,469
Total liabilities		16,064,427	14,181,780
EQUITY			
Equity attributable to owners of the Company			
Share capital		435,189	435,189
Reserves		3,424,590	3,179,234
		3,859,779	3,614,423
Non-controlling interests		164,587	167,622
Total equity		4,024,366	3,782,045
Total liabilities and equity		20,088,793	17,963,825

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Equity attributable to owners of the Company					
	Share capital HK\$'000 (Unaudited)	Share premium account* HK\$'000 (Unaudited)	Other reserve* HK\$'000 (Unaudited)	Goodwill arising on consolidation* HK\$'000 (Unaudited)	Statutory reserve* HK\$'000 (Unaudited)
At 1 January 2024 (Audited)	435,189	682,028	(40,443)	(15,300)	106,209
Transactions with owners					
Deemed acquisition of interests in subsidiaries	-	-	(492)	-	-
Deemed disposal of interests in subsidiaries	-	-	2,691	-	-
Dividend paid to non-controlling interests	-	-	-	-	-
Total transactions with owners	-	-	2,199	-	-
Comprehensive income					
Loss for the period	-	-	-	-	-
Other comprehensive income					
Exchange differences on translation to presentation currency	-	-	-	-	-
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-
Remeasurement of net defined benefit obligation	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
At 30 June 2024 (Unaudited)	435,189	682,028	(38,244)	(15,300)	106,209

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Equity attributable to owners of the Company

Exchange fluctuation reserve*	Fair value through other comprehensive income reserve**	Revaluation reserve for property, plant and equipment*	Retained profits*	Total	Non- controlling interests	Total equity
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(24,706)	(131,168)	34,916	3,119,975	4,166,700	198,594	4,365,294
-	-	-	-	(492)	(588)	(1,080)
-	-	-	-	2,691	4,808	7,499
-	-	-	-	-	(390)	(390)
-	-	-	-	2,199	3,830	6,029
-	-	-	7,024	7,024	(3,316)	3,708
(245,224)	-	-	-	(245,224)	(1,681)	(246,905)
-	(83,058)	-	-	(83,058)	-	(83,058)
-	-	-	(16,858)	(16,858)	-	(16,858)
(245,224)	(83,058)	-	(9,834)	(338,116)	(4,997)	(343,113)
(269,930)	(214,226)	34,916	3,110,141	3,830,783	197,427	4,028,210

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Equity attributable to owners of the Company					
	Share capital HK\$'000 (Unaudited)	Share premium account* HK\$'000 (Unaudited)	Other reserve* HK\$'000 (Unaudited)	Goodwill arising on consolidation* HK\$'000 (Unaudited)	Statutory reserve* HK\$'000 (Unaudited)
At 1 January 2025 (Audited)	435,189	682,028	(40,200)	(15,300)	106,209
Transactions with owners					
Deemed acquisition of interests in subsidiaries (note 28(b))	-	-	(1,936)	-	-
Deemed disposal of interests in subsidiaries (note 28(a))	-	-	3,096	-	-
Dividend paid to non-controlling interests	-	-	-	-	-
Total transactions with owners	-	-	1,160	-	-
Comprehensive income					
Loss for the period	-	-	-	-	-
Other comprehensive income					
Exchange differences on translation to presentation currency	-	-	-	-	-
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-
Remeasurement of net defined benefit obligation	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
At 30 June 2025 (Unaudited)	435,189	682,028	(39,040)	(15,300)	106,209

* These reserve accounts comprise the consolidated reserves of HK\$3,424,590 (31 December 2024: HK\$3,179,234) in the condensed consolidated statement of financial position.

The entire balance of fair value through other comprehensive income reserve belongs to non-recycling portion.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Equity attributable to owners of the Company

Exchange fluctuation reserve*	Fair value through other comprehensive income reserve**	Revaluation reserve for property, plant and equipment*	Retained profits*	Total	Non- controlling interests	Total equity
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(269,871)	(182,706)	34,916	2,864,158	3,614,423	167,622	3,782,045
-	-	-	-	(1,936)	(2,786)	(4,722)
-	-	-	-	3,096	4,677	7,773
-	-	-	-	-	(767)	(767)
-	-	-	-	1,160	1,124	2,284
-	-	-	(42,045)	(42,045)	(9,604)	(51,649)
296,942	-	-	-	296,942	5,445	302,387
-	(13,564)	-	-	(13,564)	-	(13,564)
-	-	-	2,863	2,863	-	2,863
296,942	(13,564)	-	(39,182)	244,196	(4,159)	240,037
27,071	(196,270)	34,916	2,824,976	3,859,779	164,586	4,024,366

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Net cash used in operating activities	(2,321,974)	(684,330)
Cash flows from investing activities		
Payment for the purchase of property, plant and equipment	(11,948)	(8,935)
Payment for purchase of intangible assets	–	(451)
Increase in other financial assets at amortised costs	(962,735)	(1,276,257)
Proceeds from disposal of property, plant and equipment	3,318	662
Other cash flows arising from investing activities	25	797
Net cash used in investing activities	(971,340)	(1,284,184)
Cash flows from financing activities		
Acquisition of non-controlling interests	(4,722)	(1,080)
Repayments of borrowings	(103,601)	(49,738)
Proceeds from borrowings	13,346	18,586
Repayment to a related company	(6,200)	(5,226)
Advanced from associates	14,340	–
Advanced from a shareholder	800	–
Repayment to associates	–	(12,757)
Advanced from directors	1,360	4,390
Interest paid	(21,782)	(22,045)
Dividend paid to non-controlling interests	(767)	(390)
Net cash used in financing activities	(107,226)	(68,260)
Net decrease in cash and cash equivalents	(3,400,540)	(2,036,774)
Cash and cash equivalents at the beginning of the period (note)	3,694,694	3,707,898
Effect of foreign exchange rates changes	774,450	(361,155)
Cash and cash equivalents at the end of the period (note)	1,068,604	1,309,969

Note: Cash and cash equivalents comprised cash and bank balances and bank overdrafts for the purpose of condensed consolidated statements of cash flows.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. General Information

Citychamp Watch & Jewellery Group Limited (the “Company”) is a limited liability company incorporated in Cayman Islands. Its registered office address is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business is Units 1902–04, Level 19, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

During the period, the principal activities of the Company and its subsidiaries (together referred to as the “Group”) include:

- Manufacturing and distribution of watches and timepieces and watch accessories;
- Property investments; and
- Banking and financial businesses.

There was no significant change in the Group’s operations during the period.

The Group’s principal places of the business are in Hong Kong, Switzerland, United Kingdom, Liechtenstein and the People’s Republic of China (the “PRC”).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

2. Basis of Preparation

The unaudited condensed interim financial information ("the Unaudited Interim Financial Information") has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants and with the applicable disclosure provisions in Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Unaudited Interim Financial Information is presented in Hong Kong Dollars ("HK\$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("HK\$'000") unless otherwise stated.

The Unaudited Interim Financial Information for the six months ended 30 June 2025 was approved for issue by the board of directors of the Company on 28 August 2025.

3. Summary of Material Accounting Policy Information

The Unaudited Interim Financial Information has been prepared in accordance with the accounting policies and method of computation used in the 2024 Annual Financial Statements, except for the adoption of the new or amended Hong Kong Financial Reporting Standards ("HKFRSs"), which include individual HKFRSs, HKAS and Interpretations. The Group has not early adopted any new HKFRSs that have been issued but are not yet effective. The Unaudited Interim Financial Information should be read in conjunction with the 2024 Annual Financial Statements.

For the six months ended 30 June 2025

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Group makes estimates and assumptions concerning the future. Such estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

Estimated impairment of goodwill

The Group tests on an annual basis whether goodwill has suffered any impairment. The recoverable amounts of the cash generating units ("CGUs") have been determined based on value-in-use calculations. The value-in-use calculations require the use of judgement and estimates of the future cash flows expected to arise from the CGUs, the timeframe for the cash flows forecast and the suitable discount rates in order to calculate the present value. In the process of estimating expected future cash flows, management makes assumptions about future revenues and profits. These assumptions relate to future events and circumstances. The actual results may vary and may cause a material adjustment to the carrying amount of goodwill within the next financial year. Determining the appropriate discount rate involves estimating the appropriate adjustment for market risk and for asset specific risk factors.

For the six months ended 30 June 2025

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Provision for inventories

In determining the amount of allowance required for obsolete and slow-moving inventories, the Group would evaluate ageing analysis of inventories and compare the carrying value of inventories to their respective estimated net realisable value. The assessment of the provision involves management judgement and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying value of inventories and provision charge/write-back in the period in which such estimate has been changed.

Depreciation and amortisation

The Group depreciates and amortises its property, plant and equipment and intangible assets with definite useful lives using straight-line method over their respective estimated useful lives, starting from the date on which the assets are put into productive use. The estimated useful lives reflect the directors' estimate of the period that the Group intends to derive future economic benefits from the use of these assets.

Estimated impairment of trade and other receivables

The Group's management determines the provision for impairment of trade and other receivables on a forward-looking basis. The provision matrix is determined based on the Group's historical observed default rates over the expected life of the trade and other receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. Other receivables is considered 12-months expected credit losses. In making the judgement, management considers available reasonable and supportive forward-looking information such as actual or expected significant changes in the operating results of customers, actual or expected significant adverse changes in business and customers' financial position. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed by the Group's management.

For the six months ended 30 June 2025

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Impairment assessment of non-financial assets

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. The recoverable amount is determined based on value-in-use calculation or fair value less cost of disposal ("FVLCD"). The calculations of value-in-use require the use of judgement and estimates of the future cash flows expected to arise from the CGUs, the timeframe for the cash flows forecast and the suitable discount rates in order to calculate the present value. In the process of estimating expected future cash flows, management makes assumptions about future revenues and profits. These assumptions relate to future events and circumstances. The actual results may vary and may cause a material adjustment to the carrying amount of non-financial assets within the next financial year. Determining the appropriate discount rate involves estimating the appropriate adjustment for market risk and for asset specific risk factors. Calculation of FVLCD involves the selection of valuation model, adoption of key assumption, and input data, which are subject to management judgement.

Income taxes

The Group is subject to income taxes in Hong Kong, Switzerland, United Kingdom, Liechtenstein and the PRC. Significant judgement is required in determining the amount of the provision for income taxes and the timing of the payments of related taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

For the six months ended 30 June 2025

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Estimation of defined benefit obligations

The Group operates four defined benefit plans. Pension costs for defined benefit plans are assessed using the projected unit credit method in accordance with HKAS 19, Employee Benefits. Under this method, the cost of providing pensions is charged to the profit or loss in accordance with the advice of the actuaries who carry out a full valuation of the plans. The pension obligation is measured at the present value of the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations. All actuarial gains and losses are recognised in full, in the year in which they occur, in other comprehensive income.

Management appointed actuaries to carry out a full valuation of these pension plans to determine the pension obligations that are required to be disclosed and accounted for in the accounts in accordance with the requirements of HKFRSs.

The actuaries use assumptions and estimates in determining the fair value of the defined benefit plans and evaluate and update these assumptions on an annual basis. Judgement is required to determine the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions can significantly affect the present value of plan obligations and service costs in future periods.

For the six months ended 30 June 2025

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Lease – estimating the incremental borrowing rate

The Group uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Going concern consideration

The assessment of the going concern assumption involves making a judgement by the directors, at a particular point of the time, about the future outcome of events or conditions which are inherently uncertain.

Fair value measurement

A number of assets and liabilities included in the Group's condensed consolidated financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: observable inputs other than quoted price included with Level 1; and
- Level 3: unobservable inputs are inputs for which market data are not available.

For the six months ended 30 June 2025

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Fair value measurement (Continued)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures the following items at fair value:

- Due from banks – precious metals
- Due to clients – precious metals
- Trading portfolio investments
- Derivative financial assets
- Derivative financial liabilities
- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit or loss
- Financial liabilities at fair value through profit or loss
- Investment properties

5. Segment Information

The chief operating decision-maker is identified as executive directors. The executive directors have identified the Group's product and service lines as operating segments as follows:

- (a) manufacturing and distribution of watches and timepieces and watch accessories;
- (b) property investments; and
- (c) banking and financial businesses.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

5. Segment Information (Continued)

Six months ended 30 June 2025					
	Watches and timepieces and watch accessories businesses HK\$'000 (Unaudited)	Property investments HK\$'000 (Unaudited)	Banking and financial businesses HK\$'000 (Unaudited)	Unallocated HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue:					
Net interest income from banking business	-	-	127,667	-	127,667
Net service fees and commission income from banking business	-	-	93,466	-	93,466
Trading income from banking business	-	-	20,941	-	20,941
Service fees and commission income from financial business	-	-	24	-	24
Interest income from financial business	-	-	1,122	-	1,122
Sales of goods from non-banking and financial businesses	271,529	-	-	-	271,529
Rental income from non-banking and financial businesses	-	8,943	-	-	8,943
Total revenue	271,529	8,943	243,220	-	523,692
Segment results	(53,479)	7,692	53,609	-	7,822
Unallocated corporate income and expenses, net	-	-	-	(33,034)	(33,034)
Share of profit of associates	-	-	-	4,147	4,147
Finance costs for non-banking and financial businesses	(10,799)	-	(281)	(10,702)	(21,782)
(Loss)/profit before income tax	(64,278)	7,692	53,328	(39,589)	(42,847)
Income tax expense	(1,753)	-	(7,002)	(47)	(8,802)
(Loss)/profit for the period	(66,031)	7,692	46,326	(39,636)	(51,649)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

5. Segment Information (Continued)

Six months ended 30 June 2024					
	Watches and timepieces and watch accessories businesses HK\$'000 (Unaudited)	Property investments HK\$'000 (Unaudited)	Banking and financial businesses HK\$'000 (Unaudited)	Unallocated HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue:					
Net interest income from banking business	-	-	138,236	-	138,236
Net service fees and commission income from banking business	-	-	86,937	-	86,937
Trading income from banking business	-	-	13,147	-	13,147
Service fees and commission income from financial business	-	-	(298)	-	(298)
Interest income from financial business	-	-	477	-	477
Sales of goods from non-banking and financial businesses	459,822	-	-	-	459,822
Rental income from non-banking and financial businesses	-	11,992	-	-	11,992
Total revenue	459,822	11,992	238,499	-	710,313
Segment results	(7,564)	11,729	53,822	-	57,987
Unallocated corporate income and expenses, net	-	-	-	(28,405)	(28,405)
Share of profit of associates	-	-	-	5,655	5,655
Finance costs for non-banking and financial businesses	(9,860)	-	(239)	(11,946)	(22,045)
Profit/(loss) before income tax	(17,424)	11,729	53,583	(34,696)	13,192
Income tax expense	(1,863)	-	(7,582)	(39)	(9,484)
Profit/(loss) for the period	(19,287)	11,729	46,001	(34,735)	3,708

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

6. Revenue

The Group is principally engaging in manufacturing and distribution of watches and timepieces and watch accessories businesses, property investments and banking and financial businesses.

For banking and financial businesses, revenue mainly comprises net interest income, net service fees and commission income and net trading income. For non-banking and financial businesses, revenue mainly represents the net invoiced value of goods sold, after allowance for returns and trade discounts and rental income received and receivables.

Revenue recognised during the period is as follows:

(a) Net interest income from banking business

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Interest income from banking business arising from:		
Interest income – due from banks	107,932	130,853
Interest income – due from clients	16,352	15,964
Interest income from mortgage loans	32,336	41,463
Interest income from financial assets	65,248	31,446
Interest expense from money market papers	–	(319)
Negative interest income on due to clients	8,287	18,462
	230,155	237,869
Interest expenses from banking business arising from:		
Interest expense on due to banks	(282)	(161)
Interest expense on due to clients	(101,816)	(98,849)
Negative interest income on due from banks and clients	(390)	(623)
	(102,488)	(99,633)
Net interest income from banking business	127,667	138,236

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

6. Revenue (Continued)

(b) Net service fees and commission income from banking business

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Service fees and commission income from banking business arising from:		
Commission income from loans	2,893	3,152
Brokerage fees	20,980	15,250
Custody account fees	15,819	12,946
Commission on investment advice and asset management	24,969	22,586
Commission income from service fees	11,120	13,562
Commission income from fiduciary fees	214	192
Commission income from retrocession	2,005	2,006
Other commission income	29,831	31,890
	107,831	101,584
Service fees and commission expenses from banking business	(14,365)	(14,647)
Net service fees and commission income from banking business	93,466	86,937

(c) Trading income from banking business

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Debt instruments	16	4
Forex and precious metals	21,814	12,877
Funds	–	266
Securities	(889)	–
Trading income from banking business	20,941	13,147

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

6. Revenue (Continued)

(d) Revenue from financial business

Six months ended 30 June		
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Service fees and commission income and expenses	24	(298)
Interest income	1,122	477
Revenue from financial business	1,146	179

(e) Revenue from non-banking and financial businesses

Six months ended 30 June		
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Sales of goods	271,529	459,822
Rental income	8,943	11,992
Revenue from non-banking and financial businesses	280,472	471,814

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

7. Other Ordinary Income and Other Net Gains or Losses

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Exchange gain, net	3,124	16,059
Gain on fair value changes in trading portfolio investments, net (note 14)	62	72
Gain on fair value changes in financial liabilities at fair value through profit or loss	12,495	12,162
Bank and other interest income from non-banking and financial business	25	191
Dividend income from financial asset at fair value through other comprehensive income ("FVOCI") (note 15)	–	7,934
Gain on disposal of property, plant and equipment	1,399	662
Government subsidies	188	2,272
Other sundry income	717	11,709
	18,010	51,061

8. Finance Costs from Non-Banking and Financial Businesses

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Interests on lease liabilities	2,657	1,645
Interests charged on bank borrowings, bank overdrafts and other borrowings	19,125	20,400
	21,782	22,045

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

9. (LOSS)/PROFIT BEFORE INCOME TAX

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

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Depreciation of property, plant and equipment	30,167	48,627
Amortisation of intangible assets	5,114	6,043

10. Income Tax Expense

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Current tax for the period		
The People's Republic of China (the "PRC")	1,571	1,447
Liechtenstein	7,722	7,457
Switzerland	–	332
Deferred tax for the period	(491)	248
Total income tax expense	8,802	9,484

For both the six months ended 30 June 2025 and 2024, no provision for Hong Kong profits tax has been made as the Group has no assessable profits arising in Hong Kong. The subsidiaries established in the PRC are subject to income taxes at tax rates ranging between 15% and 25% (six months ended 30 June 2024: between 15% and 25%). Overseas tax is calculated at the rates applicable in the respective jurisdictions.

The Group is subject to PRC withholding tax at the rate of 5% in respect of dividend income derived from PRC incorporated company.

For the six months ended 30 June 2025

11. Dividends

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

12. (LOSS)/EARNINGS PER SHARE

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

Six months ended 30 June		
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
(Loss)/profit attributable to owners of the Company for the purpose of calculating basic and diluted (loss)/earnings per share	(42,045)	7,024

Number of shares Six months ended 30 June		
	2025 '000 (Unaudited)	2024 '000 (Unaudited)
Weighted average number of shares for the purpose of calculating basic and diluted (loss)/earnings per share	4,351,889	4,351,889

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

13. Due from Banks and Clients

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Due from clients – mortgage loans	1,945,807	2,047,246
Due from clients – other	1,027,938	634,201
Valuation adjustments for default risk	(31,300)	(22,265)
Total due from clients	2,942,445	2,659,182
Due from banks on a daily basis	5,820,401	2,696,501
Due from banks other claims	66,355	56,341
Due from banks – precious metals	259,632	192,782
Valuation adjustments for default risk	(818)	(354)
Total due from banks	6,145,570	2,945,270

14. Trading Portfolio Investments

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Equity instruments		
Listed equity instruments in Hong Kong at market value	15,133	15,435
Listed equity instruments outside Hong Kong at market value	210	204
Total equity instruments	15,343	15,639
Debt instruments		
Unlisted debt instruments of financial institutions	250	4,439
Investment fund units		
Unlisted investments fund units	19,833	19,486
Total trading portfolio investments	35,426	39,564

For the six months ended 30 June 2025

14. Trading Portfolio Investments (Continued)

The investments under trading portfolio investments are held for trading purposes.

There is no transfer under the fair value hierarchy classification for the six months ended 30 June 2025 and 2024.

The fair value gain during the period was amounted to HK\$62,000 (six months ended 30 June 2024: HK\$72,000), which has been recognised in the condensed consolidated statement of comprehensive income as “other ordinary income and other net gains or losses” (note 7) for the six months ended 30 June 2025.

15. Financial Assets at Fair Value Through Other Comprehensive Income

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Listed equity instruments in Hong Kong (note (a))	185,115	202,745
Listed equity instruments outside Hong Kong (note (b))	29,879	25,812
Unlisted equity investments	5,492	5,336
Total	220,486	233,893

Notes:

- (a) As at 30 June 2025 and 31 December 2024, the listed equity investments in Hong Kong represented 14.76% equity interest in Min Xin Holdings Limited (“Min Xin Shares”). As at 30 June 2025 and 31 December 2024, the Group held 88,150,000 Min Xin Shares. No dividend income (six months ended 30 June 2024: HK\$7,934,000) was recognised by the Group in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2025.
- (b) As at 30 June 2025 and 31 December 2024, the listed equity investments outside Hong Kong represented 0.66% equity interest in Citychamp Dartong Company Limited (“Citychamp Dartong Shares”) listed on the Shanghai Stock Exchange in the PRC. As at 30 June 2025 and 31 December 2024, the Group held 9,154,370 Citychamp Dartong Shares. No dividend income was recognised by the Group in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2025 and 2024.

During the six months ended 30 June 2025, the decrease in fair value of financial assets at fair value through other comprehensive income of HK\$13,564,000 (six months ended 30 June 2024: decrease in fair value of HK\$83,058,000) has been dealt with in other comprehensive income and FVOCI reserve.

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16. Derivative Financial Instruments

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Derivative financial assets		
Forward and option contracts	923	33,061
Derivative financial liabilities		
Forward and option contracts	5,019	2,497

Forward and option contracts arising in banking business

The Group's subsidiaries under the banking business segment act as an intermediary to offer derivative products including interest rate and currency forwards and swap to its customers. These derivative positions are managed through entering back-to-back deals with external parties to ensure the remaining exposures are within acceptable risk levels.

The following tables and notes provide an analysis of the nominal amounts of derivatives and the corresponding fair values as at the year ended date. The nominal amounts of the derivatives indicate the volume of transactions outstanding as at the reporting date; they do not represent amounts at risk.

30 June 2025			
	Nominal amount HK\$'000 (Unaudited)	Assets HK\$'000 (Unaudited)	Liabilities HK\$'000 (Unaudited)
Non-hedging instruments			
– Currency derivatives	917,637	923	(5,019)

31 December 2024			
	Nominal amount HK\$'000 (Audited)	Assets HK\$'000 (Audited)	Liabilities HK\$'000 (Audited)
Non-hedging instruments			
– Currency derivatives	3,317,322	33,061	(2,497)

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17. Trade Receivables

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade receivables arising from watches, timepieces and watch accessories businesses	358,135	370,311
Trade receivables arising from financial business – cash clients	10,089	1,800
	<u>368,224</u>	<u>372,111</u>

The Group's trading terms with its customers of watches, timepieces and watch accessories businesses are mainly on credit, except for certain customers, where payment in advance is required. The credit period is generally for a period of one to six months (31 December 2024: one to six months) for major customers. Each customer has a maximum credit limit. The credit term for customers is determined by the management according to industry practice together with consideration of their creditability. Trade receivables are non-interest bearing.

Ageing analysis of trade receivables arising from watches and timepieces and watch accessories businesses as at the reporting dates, based on invoice date, and net of provisions, is as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
1 to 3 months	89,518	73,523
4 to 6 months	82,244	21,555
Over 6 months	186,373	275,233
	<u>358,135</u>	<u>370,311</u>

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18. Other Financial Assets at Amortised Cost

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Listed debt instruments, at amortised cost	4,670,112	3,511,829
Issued by:		
Governments and public sector	3,715,433	2,519,712
Financial institutions	528,323	542,825
Corporations	426,356	449,292

19. Inventories

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Raw materials	187,656	274,076
Work-in-progress	618,323	310,614
Finished goods and merchandise	736,802	929,143
	1,542,781	1,513,833

20. Property, Plant and Equipment

During the six months ended 30 June 2025, the Group acquired property, plant and equipment of HK\$16,067,000 (six months ended 30 June 2024: HK\$12,525,000). During the period, the Group has entered into several leases for offices and shops with right-of-use assets amounted to approximately HK\$403,000 (six months ended 30 June 2024: HK\$3,590,000) recognized. Property, plant and equipment of HK\$1,028,000 were disposed of during the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$11,303,000).

As at 30 June 2025, property, plant and equipment with an aggregate carrying amount of HK\$236,129,000 (31 December 2024: 237,000,000) have been pledged to secure banking facilities granted to the Group (note 25).

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21. Investment Properties

As at 30 June 2025, the Group has not obtained the relevant title certificates for investment properties with an aggregate carrying amount of HK\$43,335,000 (31 December 2024: HK\$43,335,000). The Group's legal advisors have confirmed that the Group is the rightful and equitable owner of these investment properties. The directors are now in process of obtaining the title certificates from the relevant government authorities.

22. Intangible Assets

	Brand names	Computer software	Technical know-how	Customer relationship	Total
Six months ended 30 June 2025					
(Unaudited)					
Opening carrying amount	42,819	1,181	26,899	8,721	79,620
Amortisation	–	(70)	(1,642)	(3,402)	(5,114)
Exchange realignment	6,371	32	754	199	7,356
Closing carrying amount					
(Unaudited)	49,190	1,143	26,011	5,518	81,862
Year ended 31 December 2024					
(Audited)					
Opening carrying amount	46,302	880	41,805	16,706	105,693
Amortisation	–	(122)	(4,438)	(7,175)	(11,735)
Addition	–	457	–	–	457
Disposal	–	–	(8,092)	–	(8,092)
Impairment loss for the year	–	–	(1,308)	(424)	(1,732)
Exchange realignment	(3,483)	(34)	(1,068)	(386)	(4,971)
Closing carrying amount (Audited)	42,819	1,181	26,899	8,721	79,620

As at 30 June 2025 and 31 December 2024, all intangible assets are attributable to watches, timepieces and watch accessories businesses.

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23. Goodwill

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Balance at the beginning of period/year	973,406	1,150,672
Impairment loss during the year	–	(115,917)
Exchange realignment	88,480	(61,349)
Balance at the end of period/year	1,061,886	973,406

As at 30 June 2025, goodwill of HK\$759,447,000 (31 December 2024: HK\$710,120,000) are attributable to watches, timepieces and watch accessories businesses while goodwill of HK\$302,439,000 (31 December 2024: HK\$263,286,000) are attributable to banking and financial businesses.

24. Trade Payables

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade payables arising from watches, timepieces and watch accessories business	169,089	187,775
Trade payables arising from financial business – Cash clients	2,346	2,346
	171,435	190,121

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24. Trade Payables (Continued)

Ageing analysis of trade payables arising from watches, timepieces and watch accessories businesses as at the reporting dates, based on invoice dates, is as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
1 to 3 months	48,693	127,183
4 to 6 months	31,719	9,152
Over 6 months	88,677	51,440
	169,089	187,775

25. Borrowings

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Bank overdrafts (note 25.1)	25,512	29,519
Bank borrowings (note 25.1)	413,573	470,628
Other loans (note 25.2)	95,265	94,935
	534,350	595,082

For the six months ended 30 June 2025

25. Borrowings (Continued)

25.1 Bank overdrafts and bank borrowings

As at 30 June 2025, the amount of the Group's bank overdrafts and bank borrowings repayable within one year or on demand is HK\$329,917,000 (31 December 2024: HK\$410,234,000).

Based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause. Borrowings are repayable as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Borrowings payable:		
Within one year	271,090	177,602
In the second year	1,476	156,238
In the third to fifth year	116,892	115,915
After fifth year	49,627	50,392
	167,995	322,545
	439,085	500,147

At the reporting date, the Group's borrowings were secured by:

- (i) corporate guarantees provided by certain subsidiaries within the Group as at 30 June 2025 and 31 December 2024;
- (ii) entire equity interest of certain subsidiaries within the Group as at 30 June 2025 and 31 December 2024;
- (iii) subordination deeds signed by the Directors of the Group as at 30 June 2025 and 31 December 2024;

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25. Borrowings (Continued)

25.1 Bank overdrafts and bank borrowings (Continued)

- (iv) guarantee provided by the government of certain country as at 30 June 2025 and 31 December 2024;
- (v) personal guarantee provided by non-controlling interests of a subsidiary of the Group and certain independent third parties as at 30 June 2025 and 31 December 2024;
- (vi) certain assets of the non-controlling interests of a subsidiary of the Group and certain independent third parties as at 30 June 2025 and 31 December 2024;
- (vii) a legal charge over certain of the Group's property, plant and equipment with the carrying amounts of HK\$236,129,000 (31 December 2024: HK\$237,000,000) as at 30 June 2025;
- (viii) a legal charge over the Group's certain financial assets at fair value through other comprehensive income of not less than 23,338,000 shares of Min Xin Holdings Limited as at 30 June 2025 and 31 December 2024;
- (ix) a standby letter of credit with the correspondent borrowings' balances as at 30 June 2025 and 31 December 2024; and
- (x) personal guarantee provided by a director of the Company.

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For the six months ended 30 June 2025

25. Borrowings (Continued)

25.1 Bank overdrafts and bank borrowings (Continued)

Certain of bank overdrafts and bank borrowings contain clause which give the banks the right at their sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations. Borrowings due for repayment after one year which contain a repayment on demand clause and are expected to be settled within one year. The carrying amounts of the bank overdrafts and bank borrowings are approximate to their fair value.

The directors of the Company are not aware of any breach of covenant for the six months ended 30 June 2025 and up to the date of this result.

25.2 Other loans

As at 30 June 2025, other loans are unsecured, charge at 5% (31 December 2024: 5%) per annum and repayable within one year.

26. Capital Commitments

At the reporting date, the Group had the following outstanding commitments:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Contracted, but not provided for:		
– Investment in an associate – Citychamp Allied International Limited (note)	270,000	270,000

Note:

On 28 September 2016, Union United Investment Limited ("Union United"), a wholly-owned subsidiary of the Company, entered into an agreement with Citychamp Dartong (Hong Kong) Limited ("CD(HK)") and Fengrong Investment (Hong Kong) Company Limited ("FI(HK)"), in relation to the formation of the joint venture company, which was subsequently set up and named Citychamp Allied International Limited ("JV Company") in the British Virgin Islands. JV Company shall be owned as to 40% by FI(HK), 30% by CD(HK) and 30% by Union United. JV Company is engaged in potential overseas equity investment. Pursuant to the agreement, Union United agreed to contribute the maximum capital commitment of HK\$270,000,000 to JV Company. Details of the transaction are set out in the Company's announcement dated 28 September 2016.

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For the six months ended 30 June 2025

27. Related Party Transactions

27.1 Other than those disclosed elsewhere in the Unaudited Condensed Consolidated Interim Financial Information, the following transactions were carried out with related parties:

- (i) *Transactions with an associate, Fair Future Industrial Limited ("Fair Future") and its subsidiaries*

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Purchases of goods	536	2,314

- (ii) *Outstanding balances included in trade receivables, other assets, trade payables and other liabilities*

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Due from an associate (note (a)) [#]	40,016	43,380
Trade receivables from associates	3,367	4,003
Due from related companies (note (b)) [#]	1,065	1,065
Due to a shareholder (note (c))	800	–
Trade payables to associates	20,730	19,763
Due to directors (note (d))	75,155	73,731
Due to a related company (note (e)) [*]	119,213	125,413
Due to an associate (note (f)) [*]	38,252	37,243

[#] Included in other assets

^{*} Included in other liabilities

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27. Related Party Transactions (Continued)

27.1 Other than those disclosed elsewhere in the Unaudited Condensed Consolidated Interim Financial Information, the following transactions were carried out with related parties: (Continued)

(iii) Outstanding balances included in trade receivables, other assets, trade payables and other liabilities (Continued)

Notes:

- (a) The balance was unsecured, interest-free and repayable on demand. The maximum outstanding balance of amounts due from associates during the period was HK\$40,016,000 (31 December 2024: HK\$43,380,000).
- (b) The amounts were due from companies of which Ms. Sit Lai Hei, former director, and Mr. Hon Hau Wong, director of the Company are also the directors of the related companies. The balance was unsecured, interest-free and repayable on demand. The maximum amount outstanding during the period was HK\$1,065,000 (31 December 2024: HK\$1,065,000).
- (c) As at 30 June 2025, amounts due to a shareholder of aggregate principal amount of HK\$800,000 (31 December 2024: Nil) was unsecured, interest bearing at 5% per annum and repayable within one year.
- (d) As at 30 June 2025, amounts due to Mr Teguh Halim and Siu Chun Wa, directors of the Company, were unsecured, interest bearing 5% per annum and repayable within one year. During the six months ended 30 June 2025, interest expense of HK\$2,926,000 (30 June 2024: HK\$2,530,000) was payable to the directors.
- (e) As at 30 June 2025, amounts due to a related company of aggregate principal amount of HK\$119,213,000 (31 December 2024: HK\$125,413,000) was unsecured, interest bearing at 5% per annum and repayable within one year. The related company is controlled by Mr. Hon Kwok Lung, a director of the Company.
- (f) As at 30 June 2025, amounts due to an associate of aggregate principal amount of HK\$38,252,000 (31 December 2024: HK\$37,243,000) was unsecured, interest bearing at 5% per annum and repayable within one year.

(iii) Financial guarantee provided to Fair Future

As 30 June 2025, the Group has provided a corporate guarantee in respect of a banking facility of up to HK\$55,000,000 (31 December 2024: HK\$55,000,000) granted to Fair Future. The corporate guarantee is ending on the expiry of the term of the revolving loan facility.

The above transactions were conducted in accordance with the terms mutually agreed between the Group, associates and the related companies controlled by the directors.

For the six months ended 30 June 2025

27. Related Party Transactions (Continued)

27.2 Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Short-term employee benefits	4,764	5,399
Post-employment benefits	124	120
	4,888	5,519

28. Transactions with Non-Controlling Interests

- (a) Deemed disposal of equity interest in Bendura Bank AG and its subsidiaries (the "Bendura Group")

In April 2025, Bendura Group issued 884 equity share of Bendura Bank at cost CHF826,000 (equivalent to HK\$7,772,000). Following the issue, the Company's effective equity interest in Bendura Group decreased by 0.48%. The Group recognised a increase in non-controlling interest of HK\$4,678,000 and an increase in equity attributable to owners of the Company of HK\$3,096,000.

- (b) Deemed acquisition of additional interest in the Bendura Group

In April 2025, Bendura Group repurchased 321 equity share of Bendura Bank at cost CHF300,000 (equivalent to HK\$2,822,000). Following the issue, the Company's effective equity interest in Bendura Group increased by 0.17%. The Group recognised a decrease in non-controlling interest of HK\$1,634,000 and a decrease in equity attributable to owners of the Company of HK\$1,188,000.

In May 2025, Bendura Group repurchased 110 equity share of Bendura Bank at cost CHF103,000 (equivalent to HK\$979,000). Following the issue, the Company's effective equity interest in Bendura Group increased by 0.06%. The Group recognised a decrease in non-controlling interest of HK\$593,000 and a decrease in equity attributable to owners of the Company of HK\$386,000.

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28. Transactions with Non-Controlling Interests (Continued)

(b) Deemed acquisition of additional interest in the Bendura Group (Continued)

In June 2025, Bendura Group repurchased 100 equity share of Bendura Bank at cost CHF93,000 (equivalent to HK\$921,000). Following the issue, the Company's effective equity interest in Bendura Group increased by 0.05%. The Group recognised a decrease in non-controlling interest of HK\$559,000 and a decrease in equity attributable to owners of the Company of HK\$362,000.

29. Fair Value Measurements of Financial Instruments

The fair values of the Group's financial assets and financial liabilities are determined as follows:

- the fair values of listed equity investments, precious metal classified under due from banks and due to clients, trading portfolio investments, financial asset at fair value through other comprehensive income are determined by reference to their quoted market prices at the reporting date in active markets and have been translated using the spot foreign currency rates at the end of the reporting periods where appropriate.
- the fair value of investment fund units under trading portfolio investments is determined by reference to their quoted market prices at the reporting date in active markets and have been translated using the spot foreign currency rates at the end of the reporting periods where appropriate.
- the fair value of certain equity investments under financial assets at fair value through other comprehensive income is determined based on the fair value of their underlying net assets.

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29. Fair Value Measurements of Financial Instruments (Continued)

- the fair values of unlisted debt instruments classified under trading portfolio investments have been determined using significant inputs, which are market observable, directly or indirectly.
- the fair values of derivative financial assets and liabilities classified at level 2 financial assets are marked to market using the foreign exchange forward rates ruling at the end of each reporting periods.
- the fair value of unlisted investment in insurance policy is determined based on amount value as stated in cash surrender value statement issued by insurer.
- the fair value of unlisted financial product investments is determined based on the latest transaction price.
- the fair value of financial assets at fair value through profit or loss is determined by the directors of the Company with reference to actual result of Gold Vantage Industrial Limited and its subsidiaries (the “Gold Vantage Group”) for the year ended 31 December 2023.
- the fair values of financial liabilities at fair value through profit or loss is determined by the directors of the Company with reference to forecast results of Gold Vantage Group for the years ending 31 December 2024 and 2025.

HKFRS 13 introduced a three-level hierarchy for fair value measurement disclosures and additional disclosures about the relative reliability of fair value measurements.

The hierarchy groups financial assets and financial liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and financial liabilities. The fair value hierarchy has the following levels:

Level 1: unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2: observable direct and indirect inputs other than quoted prices included within Level 1; and

Level 3: unobservable inputs are inputs for which market data are not available.

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29. Fair Value Measurements of Financial Instruments (Continued)

30 June 2025				
	Level 1 HK\$'000 (Unaudited)	Level 2 HK\$'000 (Unaudited)	Level 3 HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Assets				
Due from banks – precious metals	–	259,632	–	259,632
Trading portfolio investments	15,594	10,938	8,894	35,426
Derivative financial assets	–	923	–	923
Financial assets at fair value through profit and loss	–	–	13,091	13,091
Financial assets at fair value through other comprehensive income	214,994	5,492	–	220,486
	230,588	276,985	21,985	529,558
Liabilities				
Due to clients – precious metals	–	259,308	–	259,308
Derivative financial liabilities	–	5,019	–	5,019
	–	264,327	–	264,327

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29. Fair Value Measurements of Financial Instruments (Continued)

31 December 2024				
	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Audited)	(Audited)	(Audited)	(Audited)
Assets				
Due from banks – precious metals	–	192,782	–	192,782
Trading portfolio investments	15,639	15,065	8,860	39,564
Financial assets at fair value through profit or loss	–	–	24,718	24,718
Derivative financial assets	–	33,061	–	33,061
Financial assets at fair value through other comprehensive income	228,557	5,336	–	233,893
	<u>244,196</u>	<u>246,244</u>	<u>33,578</u>	<u>524,018</u>
Liabilities				
Due to clients – precious metals	–	193,069	–	193,069
Derivative financial liabilities	–	2,497	–	2,497
	<u>–</u>	<u>195,566</u>	<u>–</u>	<u>195,566</u>

There have been no significant transfers between Levels 1 and 2 in the reporting period.

The level in the fair value hierarchy within which the financial assets and financial liabilities are categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

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29. Fair Value Measurements of Financial Instruments (Continued)

The fair value of unlisted investment funds classified as trading securities is Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balances are provided as below.

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Opening balance at the beginning of period/year (Level 3 recurring fair value)	8,860	8,876
Fair value change during the period/year	(1,179)	28
Exchange realignment	1,213	(44)
Closing balance at the end of period/year (Level 3 recurring fair value)	8,894	8,860

The fair value of 2024 Profit Compensation classified as financial assets at fair value through profit or loss is Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balances are provided as below.

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Opening balance at the beginning of period/year (Level 3 recurring fair value)	24,718	32,410
Fair value change during the period/year	–	24,718
Settlement received during the period/year	(11,627)	(32,410)
Closing balance at the end of period/year (Level 3 recurring fair value)	13,091	24,718

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29. Fair Value Measurements of Financial Instruments (Continued)

One of the key significant unobservable inputs to determine the fair value of financial assets at fair value through profit or loss is the actual result of Gold Vantage Group for the year ended 31 December 2024.

A worse actual financial result of Gold Vantage Group for the year ended 31 December 2024 would result in increase in the fair value of financial assets at fair value through profit or loss, and vice versa.

The fair values of 2025 and 2026 Profit Compensation classified as financial liabilities at fair value through profit or loss is Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balances are provided as below.

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Opening balance at the beginning of period/year (Level 3 recurring fair value)	—	44,905
Fair value change during the period/year	—	(44,905)
Closing balance at the end of period/year (Level 3 recurring fair value)	—	—

One of the key significant unobservable inputs to determine the fair value of derivative financial assets is the forecast result of Gold Vantage Group for the years ending 31 December 2025 and 2026.

A better forecast financial result of Gold Vantage Group for the years ending 31 December 2025 and 2026 would result in increase in the fair value of financial liabilities at fair value through profit or loss, and vice versa.



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